

# Fundraising Ideas That Work *for* Grassroots Groups

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*Note: This is an updated, expanded and largely revised version of A Guidebook tōundraising for Disabled Persons' Groups, published in 1988 by the Disabled Persons' Participation Program, Department of the Secretary of State of Canada.*

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References to fictional organizations and people appear interspersed throughout this manual. Any resemblance to real organizations or people in these instances is purely coincidental.

*Ce livre est également disponible en français.*

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# Introduction

## How to Use This Book

### Adapt, don't adopt

THIS IS NOT A FUNDRAISER'S COOKBOOK WITH EASY-TO-FOLLOW, surefire recipes that will guarantee that you raise money every time. There is no such thing. Every organization is unique and must adapt ideas to suit its own situation.

The informality of the writing style used in this book will, we hope, make the manual more user-friendly, so that you can work with the information it provides right from the beginning. This is meant to be, literally, a *guidebook*, pointing directions and suggesting options. Some points are touched on only briefly. Others had to be left out completely, and may form the ground for a future work. Where possible, a few selected resources are suggested to help you go further.

### *Here's what you will learn*

- You'll get solid advice on good ideas for fundraising and on how to avoid major errors.
- You'll find suggestions for sources of help on most topics, so you can do additional research if you need to.
- You'll discover techniques that have been outlined with grassroots and disabled persons' self-help groups in mind. Methods are adapted to help you raise money whether you are in a small community far from corporate headquarters and foundation offices, or are in the heart of a metropolis, feeling unable to compete with the multi-million dollar charity drives that surround you.
- You'll share the experiences of professional fundraisers (and professional *fundgivers*) who work regularly with grassroots organizations that are committed to self-help and social change.
- You'll find ways to make your task easier. It will never be easy, however. The authors have long experience in the frustrations of fundraising. Seeing long hours lead nowhere has bred a healthy respect for the difficulties. But seeing money donated to many causes has also led us to a positive and optimistic attitude. Proceed with hope and caution.

If you have questions, suggestions about how to make another edition of the manual better, or ideas on how to help grassroots groups improve their fundraising, please send them to:

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Consultants on Fundraising, Volunteers, Communication  
Suite 200, 64B Shuter Street, Toronto, Ontario M5B 1B1  
(416) 362-2926

### *What's Left Out*

This book could not cover everything, of course. Emphasis is placed on essential basic information for which there are no other readily available sources. Where other first-rate sources were available, it seemed best to point them out rather than attempt to duplicate their content. Here's what's omitted:

#### *How to get grants from foundations*

Foundations gave about \$305 million in 1993, exclusively to registered charities. In many ways, applying to them is similar to dealing with corporations, which is covered extensively here. However, there are significant differences. There is an excellent --- no, make that essential --- article in *The Canadian Directory to Foundations*<sup>1</sup>, published by the Canadian Centre for Philanthropy. (See the resource list at the end of this book for more information.) Don't even consider applying for foundation grants until you have read this.

#### *How to launch a direct-mail campaign*

A whole manual on this subject, written by Ken Wyman, is available from the Voluntary Action Program of the Department of Canadian Heritage. (See the resource list at the end for more information on this and other materials.)

#### *How to build endowments and bequests*

This topic, usually called *planned giving*, is important but goes beyond the scope of this book.

Too many people who are new to fundraising have a fantasy of finding benefactors who will build up a huge lump of capital, so that the organization can live off the interest. In reality, this is exceedingly rare. Virtually no institutional giver (corporation, foundation, or government) ever contributes to such a scheme, no matter how important the cause or how respectable the group.

When money does come in for endowments, it is usually left in the will of an individual who is a friend of the group. Typically, that person has already made significant contributions during his or her life, and is now looking for a way to help more after they have gone to their own reward.

#### *How to invest money for maximum return*

You may wish to investigate one of the several 'ethical investment funds'. Each of these has different limitations on companies and countries in which money can (or can't) be invested, depending on factors such as labour practices, racism, sexism, environmentalism, or weapons production.

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<sup>1</sup> *The Foundation Directory* is published by The Canadian Centre for Philanthropy, Suite 200, 1329 Bay Street, Toronto, Ontario M5R 2C4, (416) 515-0764. The 1993 edition of this 600-page directory sold for \$250 plus shipping and tax, but associates of the Centre paid only \$145. Contact CCP for the price for the current edition. The Centre also offers computer searches of its foundation database, for a fee.

For more information contact:

Social Investment Organization  
Suite 443  
366 Adelaide Street East  
Toronto, Ontario  
M5A 3X9  
(416) 360-6047

### *How a nonprofit can start its own business*

Here are a few short points on the exceedingly complex topic of community economic development. Lengthier treatment must be left to another book.

Decide the primary reason why you are setting up the business. You cannot accomplish several goals all equally well simultaneously. Is your goal to:

- a) create opportunities for people to learn job skills? You will also need to invest more heavily in trainers, and you may need to constantly update your equipment, both hardware and software. This may not produce enough income to be self-sufficient, so you may need subsidies.
- b) create long-term jobs for your client group? This may take the form of permanent job creation or a sheltered workshop, or anything in between. It may mean putting a lower priority on net income and tolerating work habits that are less than perfect.
- c) create income for your organization? This may mean concentrating on employing people who can produce a profit at the minimum investment, even if you have to turn away --- or fire --- people who do not produce at maximum efficiency. That is hard for most nonprofit groups to do.

Use the knowledge you already have that others might want to buy from you. For example, a disabled people's group could offer:

- a) advice for architects, businesses and governments on how to make buildings accessible;
- b) a directory of services for disabled persons, listing social service agencies and health professionals;
- c) consultation for schools on curriculum design to teach non-disabled children (or social work students) how to understand and respect disabled persons and their struggles.

Make use of existing free or low-cost services that advise people how to start a small business. These include everything from the Federal Business Development Bank (which offers excellent booklets and courses) to student projects run out of university business schools.

Courses are offered by:

Larry Trunkey  
PO Box 8667  
Victoria, BC  
V8W 3S2  
(604) 384-4096

For more advice contact:

Our Local Economy  
4<sup>th</sup> Floor  
49 Wellington Street East  
Toronto, Ontario  
M5E 1C9  
(416) 361-0466

# Chapter 1

## Fundraising in Canada Today

*Will available funds keep pace with rising demand?*

### First, the bad news

THE REAL WORLD OF FUNDRAISING IS A HARD PLACE GOVERNMENT funding is being cut back. Corporations and foundations are not picking up the difference. Massive public appeals are costly.

This world can also seem very competitive. As of mid-1994, there were over 70,000 registered charities in Canada, and another 20 or 25 are created every day C ten per cent more each year. Big organizations such as universities, hospitals, and health research associations use very sophisticated techniques to raise millions of dollars.

Cutbacks in funding have increased demand for independent nonprofit organizations to replace services once provided by government agencies.

Small groups, especially self-help organizations, can feel hopeless in the face of this pressure.

Corporations are not increasing their giving to make up the shortfall in government contributions. Corporate giving has, in most cases, been cut back in response to the effect of the recession on profits. A few exceptions have emerged, particularly where support for a popular cause complements marketing strategies. More on this in the chapter on corporate giving.

Foundations have cut their giving back, too. With lower interest rates, they have less to give without depleting their capital.

In the six years since the first edition of this book, traditional fundraising has changed too.

*Direct mail*, once a low-risk proposition, has become increasingly difficult as the public gets flooded with requests. While it is still an effective technique, it is harder than ever to make it work for a grassroots group.

*Special events*, too, are less reliable as a major source of income for many organizations than they once were. The ticket price for gala balls and dinners once climbed steadily with little apparent resistance. By 1994, that was no longer true. The costs and volunteer effort required to produce an event can be so high that the financial results are barely worthwhile, or may even result in a loss. Events can still be useful ways of generating publicity, finding new supporters and cultivating existing donors, whether or not they are an immediate financial success.

### Now the Good News

Individual Canadians continue to give more to charity, after a downturn in the mid-1970s. Even during the recession, individual giving continued to increase faster than inflation.



Individual Canadians donated about \$96 million more to charities in 1992 than in 1991, despite the economy, according to Revenue Canada. Their numbers only count the tax credits people claimed on their income tax returns. The real total is incalculably higher. This is especially remarkable, considering that 22,000 fewer people even claimed donation tax credits.

Individuals give 87% of all the money given to charities. Corporations give roughly 8%, and foundations 5%.

Wealthy individuals are not asked to give as often as they might be, outside of hospital and university campaigns. There is room for growth here.

### *Slice of the Pie or Change the Recipe?*

This manual focuses primarily on how you can get your share of over \$3 billion Canadians give to charities each year. It is a big pie, and even a small slice may help you a lot.

This does not mean you must fight with other equally worthwhile organizations over a piece of a limited resource. On the contrary, most experts feel that the size of the pie may grow, meaning more for everybody.

Charitable giving is an elastic section of the economy. You are not competing so much against other nonprofit groups, as against other sources of gratification, such as beer and cheesecake. In fact, the IMAGINE Campaign has had measurable success at urging all Canadians to donate more money and to volunteer more time.

You may not be satisfied with getting a slice of the pie, even if it is expanding. The National Action Committee on the Status of Women suggests it is time to “change the recipe”. Not content to depend on public generosity, many people want the government to provide better funding for more organizations.

This is an attitude shared by many of the smallest groups, such as centres for abused women and advocates for human rights. To their surprise, they find themselves allies with the largest hospitals and universities in this battle.

Effective presentations can and have changed government views on how public funds should be spent. Revenue Canada recognizes that limited advocacy for government intervention is a legitimate part of a charity's mandate. While the present publication is not intended to suggest techniques for making such sweeping changes, the author applauds these essential initiatives.

Paradoxically, good fundraising may be a vital part of efforts to eliminate the need for fundraising. First, of course, money is needed to fund the battle. Perhaps more importantly, developing a wide base of supporters helps show government leaders how much the public values your individual organization. This is most clearly demonstrated when Canadians not only offer vocal support but put their money where their mouths are.

Unless unlimited government funding is available, however, most groups will have to find other sources of funds, like it or not. This manual tells how to do that effectively.

*Would you still fundraise if the government provided unlimited funds?*

If the government offered full funding for your organization, would you still want to do outside fundraising?

The answer may be `yes'. In addition to money, fundraising provides a number of advantages, such as:

- security, if grants are cut back;
- freedom to work outside whatever restrictions donors might have, without strings attached;
- feedback from the public on how well you are getting your message across;
- a sense of ownership for participants who help fund their own organization, instead of depending on charity (in all the bad senses of the word);
- an opportunity to influence public thinking;
- a stronger, two-way relationship with supporters.
- financial power to tackle projects that are beyond even the government's vast resources;
- proof to the government that the public believes in what you do (and that you can count on voter reaction if your grants are cut back, or increased).

This is not to suggest there is not a need for more government funding. Over the years, the public notion of what is an essential service has changed. It will continue to evolve.

# Chapter 2

## What's the Money For?

### Project orientation

YOUR SUCCESS IN FUNDRAISING DEPENDS FIRST AND FOREMOST ON HOW YOU answer one deceptively simple question: "What is the money for?"

There are other important factors, such as who you ask, who does the asking, and what techniques you use. But they are secondary, because they depend upon how you answer the first, central question.

There are right and wrong answers. *Wrong answers* focus on internal organizational needs.

### *The Wrong Answers*

"The money is:

- for our salary, rent and phone bills."
- to reach our goal of X dollars."
- because we have a deficit."
- for core costs."

Very seldom will you be able to get substantial sums of money for core items. In the past, government departments occasionally covered core costs, but these resources are declining or gone. Many programs now restrict themselves to short-term startup grants, if they give for anything other than projects at all.

### "People give to people"

"People give to people" is one of the oldest truisms of fundraising. People do not usually give because the organization itself needs funds. They want to help other people. Your task is to show how their donation will help people.

Results have motivational power; monetary figures do not. If the donor knows the potential results of a donation, it changes the nature of the decision-making process in the donor's mind.

Instead of "Why are they always after me for money?" , the donor is more apt to say, "Do I want to make a difference or an impact in this way?" Donors think about the effect of their donation, not just whether they can afford to give to the organization.

Keep track of who benefits from your work. The more detailed statistics you have, the better. Donors are often interested in supporting projects for specific populations such as women, or native people, or youths under 24, or people in northern Saskatchewan. Be prepared to show them how many of each you help (whether through service or advocacy).

Here are some specific suggestions for techniques you can use. Help people to understand how your expense budget translates into real people needing help. This will help you as a fundraiser to develop the *case statement*, which is the quick explanation of why your agency needs the money.

*Write in terms of people, not large issues*

- number of people affected by the problem;
- number you help through advocacy now;
- number you help through direct (or indirect) service now;
- number you could help with \$x more funds;
- types of people helped;
- total hours of service they received;
- types of problems dealt with.

*Document positive case studies and past successes*

Write down testimonials, especially from people you have helped. (Be sure to ask for permission to use them, and change names to protect confidentiality if that is an issue.)

*Imagine "What if our agency didn't exist?"*

Write down your dreams and your wish list (what you could do with more resources).

In transforming costs into benefits, you may wonder what to do about administrative costs (*eg*, providing for staff, office space, computers, *etc*). Paying for these basic costs does not motivate donors, as you probably already know.

The key to resolving this is to apportion a percentage of the administration costs to each program. This is more exciting and motivational, but also more realistic. A program can't operate without rent, and wear and tear on desks and computers. If each project doesn't pay its share of meeting costs, vacation pay and hiring expenses, it will fall between the cracks and end up a burden for all.

## Marketing the budget

Approach your budget in four steps:

### *Step 1*

#### *Separate the projects*

List all the different activities your group will undertake next year. You may call them 'projects' or 'programs', or any other name.

Uncover hidden projects that are masked by overhead expenses. Does the executive director, for example, talk to journalists or service clubs? Identify that as a separate project called 'public education'. Seek funding for this important work. Don't include only *new* projects created just for funders. Focus on existing programs, too. Groups often create new

projects that are not high priorities, simply because funding is available. This is called “the tail wagging the dog”. It is a symptom of ill health, and often interferes with a group's ability to meet its original challenges. It may be tolerable if the new project contributes significantly to core costs. However, with poor cost accounting, it is all too common for the project to drain economic resources as well as energy. Beware of this problem.

## **Step 2**

### ***Include All Costs***

Make sure the cost of your project includes a fair share of all the costs of your organization. Don't just include the obvious direct costs. Integrate the budget fully.

For example, a group may decide it wants to buy a van to transport senior citizens. Getting the money for the van is only the beginning, however. Many groups have discovered, to their grief, how many other costs are actually involved. For example, a full expense list for the van project might include:

- purchase of van
- refitting with safety equipment
- licence fees
- insurance
- maintenance
- gas, oil and other consumables
- replacement costs
- parking spot
- salary for a driver
- printing costs for a brochure to let people know the van is available
- salary for people to design and write the brochure
- postage to mail out the brochure

### **Every Pizza Includes a Slice of Broadloom**

When a person phones for a pizza delivery, their mouth is watering for the food they are about to eat. But imagine this scene: you order a pizza, and ask how much it will cost. The pizza guy on the phone replies:

“Well, the flour costs \$13,421 a year. The cheese, tomato, pepperoni and the other pizza ingredients total \$26,721 a year. The restaurant's budget also included \$43,500 worth of beef, chicken, pork and lobster. You didn't have any of that in your pizza, but it's all part of our budget.”

“But,” you try to interrupt, “how much for one pizza?”

“Wait,” the pizza guy says, “there's also our overhead: salaries for the chef, waiters and dishwasher are \$35,760, including benefits. The phone bill and the electricity and stuff were \$2,321. Printing menus was \$1,500. We had to put in a new stove. They are really expensive, so that was \$4,500. The roof repairs were \$12,000. And rent was \$13,400. There's the van, gas, oil, speeding tickets, phone bills and all. Also the staff had to go to a special conference in Rome on “The Changing Role of Pizza in the Twenty-First Century”. That was \$5,600. Oh yes, and the boss put new broadloom in his office. So altogether our budget was \$147,523. Please give as generously as you can!”

What a restaurant that would be!

Of course, a restaurant calculates the price of each pizza to include all those things and more.

The pizza barons don't say, "Let's just ask the customer for the money for the cheese, flour and pepperoni --- we'll get a government grant for the operating costs."

They'll take the grant if they can get it --- and still make sure every customer's pizza includes every item, right down to a tiny slice of the new broadloom.

They also calculate the cost of one pizza or even a single slice.

Nonprofits can afford to do no less.

- salary for staff to develop the mailing list, print labels and stuff envelopes
- envelopes in which to mail out the brochure
- a phone people can call to arrange pick-up
- salary for a person to answer the phone
- a desk for the person
- an office for the desk
- heat, light and other utilities for the office.

All of these are legitimate parts of the project. They must be included in any realistic budget. Yet many people would consider the items on the list to be 'overhead'. The box below contains a story from the business world, which shows why this approach doesn't work.

### Step 3

#### *Include Core Costs*

Forget about the idea of 'overhead costs'. There is no such thing. Every cent you invest is spent to make the projects work.

Build the unappealing costs into the projects. Note that these projects are your organization's core activities, not just special add-on works.

Allocate *every* expense to a project or program.

Now you can ethically raise funds by saying that the cost of project 1 is \$1,724 and that will accomplish (transporting senior citizens, for example).

Item	Amount
Salary	\$1,234.
Rent	2,345.
Etc	13,670.
<b>Total</b>	<b>\$ 17,249.</b>

*OUT: Old-fashioned line budgets*

Item	Project #1	Project #2	Project #3	Project #4	Project #5	Total
Salary	\$123	\$271	\$222	\$401	\$216	\$ 1,234
Rent	\$234	632	325	89	227	2,345
Printing	\$891	375	214	5,201	33	8,910
Postage	\$456	932	1,032	66	79	4,567
etc.	\$92	43	12	220	43	123
etc.	\$290	200	637	68	5	67
Admin.	\$456	123	876	987	333	2,775
<b>Total</b>	<b>\$1,724</b>	<b>2,365</b>	<b>6,127</b>	<b>4,606</b>	<b>5,118</b>	<b>\$ 17,249</b>

Qty of Services	46	55	112	476	245	1,870
Unit cost	\$ 37.48	45.09	12.74	73.25	31.38	\$ 9.22

Please note: the figures above are only examples. Totals may not add up.

#### ***IN: Project-oriented full cost recovery budgets:***

Relate costs to a specific number of services: the 'unit cost'. If project no 1 transports 146 senior citizens, for example, the unit cost is  $\$1,724 / 146 = \$37.50$  per senior citizen.

A 'bite-size' contribution of \$37.50 is realistic to ask of an individual, and they can see what a donation will accomplish.

#### ***How to handle old-fashioned grantors***

Some grantors still insist on separating administration costs from the projects they fund. Then they provide grants only for the 'project' portion.

Fortunately, more and more grantors recognize the value of project accounting.

However, faced with a funder who insists on rigid segregation, it is simplest to comply. He who pays the piper calls the tune!

If the donor funds only the direct costs, remember that this is not the *full* project cost. The balance of the expenses must be shared by other funders.

Project Ride, for example, was budgeted for \$10,000, using True-Cost Accounting. The government, however, called 25% of the budget 'overhead', and gave a grant of only \$7,500. How do you handle that?

**WRONG:** "Project Ride is 100% government-funded but we have \$2,500 left over in administrative costs."

**RIGHT:** "Project Ride is 75% government-funded. The children need another \$2,500. Climb on this winning bandwagon with the government."

#### *Step 4*

##### *Make It Appealing*

Put all this information together to help donors understand why they should give. Tell a story. Appeal to the whole person. To do this well, give reasons for the head, heart *and* wallet.

##### *Reasons to give for the Head*

- What is the societal problem that needs fixing?
- Why is it important?
- What is the specific solution?
- Why should I trust your group's ability to solve the problem?

##### *Reasons to give for the Heart*

- Why should I care about the people helped?
- Will my donation change someone's life?
- Is the problem so big that my little donation is insignificant?
- Is the problem so small that my money would be better invested in another nonprofit's work?
- Is there an urgent reason to act now, not wait for later?
- Will giving a donation increase my own feelings of hope for the future or leave me drained?

##### *Reasons to give for the Wallet*

- Is this a bargain? Will you help a lot of people for relatively little money?
- Does this focus on future activities, or are you telling me what you used to do in the past?
- Can you break costs down into 'bite-sized' chunks that I can afford to give?
- What will the group give me in return? a newsletter, my name on a plaque, Christmas cards, or address labels? (This isn't essential but will help motivate people who are wavering. The wrong incentives can also offend people. Test carefully.)

Your answers will help the donor to concentrate on what results can be achieved with his or her money. Emphasize the ends, not the means. Ask for money to fund specific achievements, not for organizational expenses.

Look at how one of the world's best fundraising organizations explains this. Here's what UNICEF wrote in one of its fundraising appeals:



“\$253 provides a pump for fresh water in a village.”

Note this is an odd number. If it was rounded out to \$250, it would be less believable. You can almost picture them taking your cheque to a hardware store, buying a pump, slapping a few stamps on it and dropping it in a mail box to go on its way to drought-stricken Africa.

“\$100 provides enough oral rehydration salts to save the lives of a thousand malnourished children.”

That's very impressive, very emotional. Look at how many lives can be saved. Much better than discussing the problems of nutrition and sustainable development, or diarrhea and death.

“\$75 provides enough vaccines to immunize 2,500 children against diphtheria, whooping cough and tetanus.”

“\$44 provides Vitamin A protection against blindness for 1,200 children.”

Note the odd number again. And the number of children being helped goes up as the dollars go down.

“\$20 provides writing pads for 300 schoolchildren.”

What a visual image that is. Far more effective than saying “school supplies”, or “support our literacy program”.

Even if you aren't UNICEF, and you can't pull at quite so many heart-strings, you can (and must) still use the same techniques.

Remember: Don't talk about what you will spend the money on. Talk about what the money will achieve!

While the example that follows is over-simplified to prove a point in limited space, it highlights key methods.

**THE WRONG WAY:** “Disability Support Group (a fictitious organization) needs \$5,000 for 4 month's salary, \$2,000 for postage, \$1,500 for printing, and \$1,000 for rent, phone bills and other overhead. We are advocates for disabled people concerned with public building accessibility, among other issues.”

**THE RIGHT WAY:** AA drunk driver hit 19-year-old Judy while she was riding her bicycle. She survived, but she is paralyzed. After therapy, Judy got out of the hospital only to discover a new problem. The office where she had been working was not wheelchair accessible. Neither was her church, or the fitness club where she used to work out. Needless architectural barriers make the tasks of daily life an almost overwhelming challenge in our community for people with limited mobility.

"This story has a happy ending. With help from donors like you, our group showed Judy how to get ramps installed, washrooms modified, and other changes so she could get on with her life. Three weeks ago she called to say she got a promotion.

"You, too, may be affected by a disability that will restrict your mobility during your life. One person in four will be. Perhaps it could be a stroke, or the infirmities that can come with old age. It may mean years in a wheelchair, or the temporary problem of a simple broken leg in a cast. Over 8 million Canadians are affected today. This project may help all of them, as well as future generations.

"You can help improve life for other people like Judy who need access to public buildings. Here's the plan: an innovative professional education campaign will cost as little as \$20 to reach one of 5,000 influential architects and city planners. Will you give \$20 to help people like Judy?"

This example, although with many of the characteristics of a good fundraising appeal compressed into far too few words, does serve to illustrate the techniques available.

**Caution:** There are dangers in this approach.

Use only positive emotions (such as hope) to highlight the excitement of what you are doing, without being exploitive of either the donor or the person being helped.

Concentrate on the essential work you currently must do to survive. Do not seek funding for exciting new projects, at the expense of essential day-to-day work. Too many organizations end up taking on projects they wouldn't otherwise consider, because they hope for surplus income to fund core costs. The surplus is seldom there. Distractions from your original direction may have serious consequences. Be extra careful when new priorities for grants are announced, that the tail doesn't wag the dog.

Be sure each project contributes its full share of overhead costs, so that nothing is left over in the budget. If you have five work projects, be sure that you include time and money for all the indirect costs. These might include coordination meetings, a portion of the computer shared by the projects, bookkeeping, fundraising and time spent planning for the future. Otherwise, the projects will drain your energy.

Budget 10% for contingency costs into each of the projects. Then if one is not fully funded, it shouldn't become a burden on all the others.

Show your 'cost per units of service'. Even advocacy organizations should be able to show how many people are helped by a particular piece of work, and break down the costs by person-year (or month or week or day).

The constant challenge is to explain what you want to spend the money on, in terms that make the donor want to give it. Here are additional examples:

## WRONG WAY

### Library

(books, furniture)

## RIGHT WAY

Start an information centre to help 120 disabled people each month discover how to solve their own problems. (Donors with special interest in women's issues, or native people, or athletics, or law could be asked to sponsor a shelf of books on their favourite topic.)

### Secretary

\$25,000/yr

Provide information in person and on the phone to 40 disabled people a day (\$2.40 per person helped), in addition to other duties.

### National Conference

lasting 5 days: \$50,000

To enable 100 isolated disabled people, each representing 200 others (for a total of 20,000 reached) to share their problems and their solutions with other disabled people on the topic.

The cost is \$100 per participant per day, and only \$2.50 for each person ultimately reached, making it a cost-effective way to help.

### Annual board meeting

(travel costs, etc)

[Should be part of the individual project budgets, not a project on its own.]

### Purchase office building

\$500,000

Provide an information centre in a fully accessible building in a consistent and effective manner, not available anywhere else in the community. Will serve 5,000 people per year for 10 years, at an average cost of \$10 per person. Equivalent rent for the period would be \$600,000, leaving no community asset.

### *Special problems with advocacy*

Service organizations can seem more appealing to a donor, unless advocacy organizations build a good case for the importance of what they do.

It sounds concrete and believable that a donation can buy a wheelchair or fund medical research. But often the promise of helping change the system seems unglamorous or completely impossible.

Donors must be shown clearly how their dollars can help more people more effectively by advocating changes in laws, or reducing discrimination against disabled people, or making self-help a reality.

Here are more quick tips in addition to those above, that may help with this difficult task:

- Share success stories of effective advocacy, either by a group or an individual.
- Show how many people will be affected by your advocacy work.

In the context of fundraising, don't try to make yourself look better by pointing out all the flaws in established organizations. This may make donors defensive. Concentrate on giving positive reasons why they should support you, not why they shouldn't support others.

### *Avoiding the Negative 'Charity' Appeal*

Many organizations are justifiably angry at appeals for donations that have portrayed people as helpless, inferior, or objects of pity. Disabled persons' groups have led this attack on damaging images.

It is never necessary to use this approach to be successful in fundraising.

Many people respond well to appeals for self-help projects. Success stories that emphasize what can be done --- not what can't --- bring in good results. This manual is dedicated to the positive approach.

At the other extreme, consumer groups occasionally consider launching campaigns that are purely rational, in direct contrast to the highly emotional appeals they dislike. The approach may be dry, confrontational and angry.

Like the people who build a better mousetrap and expect the world to beat a path to their door, they are usually disappointed by the results. They may become cynical and suspicious of the public's willingness to help genuinely good causes.

Good campaigns recognize that people give with both the heart and the head. Do not expect to be effective if you use an intellectual approach alone. Emotions are a legitimate part of everyone's personality.

Avoid negative pitches that emphasize guilt, pity or fear.

Focus on positive feelings of hope, caring, shared vision and pride in accomplishment.

# Chapter 3

## Working with Volunteers

### Setting up the Task Force

ANY ORGANIZATION THAT HOPES TO SUCCEED IN RAISING MONEY NEEDS A Fundraising Committee or Task Force with a mandate of responsibility for fundraising.

The traditional model calls for all board members to take an active role in fundraising. This model seldom applies to grassroots groups.

For example, in many organizations, the board is unwilling or unable to do fundraising. In an umbrella group, the board members may be representatives of other levels of the group, and feel their first loyalty is to their home branch. If board members are consumers of your group's services they may have no interest or experience in fundraising. Board members may also be appointed by funders, or brought in for other expertise.

Even when the board is willing and able to fundraise, they typically have too many other responsibilities.

Fundraising cannot be left to staff alone, either. Special events, for example, can be so labour-intensive that it is not economical to pay everyone --- dedicated volunteers are essential. There are also fundraising jobs that must be done by volunteers only, such as visiting major donors (who can react quite negatively if a staff person visits them alone).

For all these reasons, grassroots groups need a special team of volunteers who will raise funds. At least one or two board members should be on this team to maintain the overall vision and act as liaison. Ideally, most of the other volunteers will be people with a strong personal connection to your services. This ensures their understanding and trustworthiness. They may be "Friends of" the group, sympathetic and willing. A legally separate foundation has also proven useful to groups as diverse as the Hospital for Sick Children and Casey House AIDS Hospice.

The term 'Task Force' is recommended in preference to 'Committee'. This may just seem like semantics, but the psychology of the words is important. People think of "committees" as groups that meet for indefinite periods of time to formulate recommendations that other people will carry out. "Task forces" by contrast, have specific objectives to accomplish within a time limit, and are expected to *do* the work, not just talk about it.

Membership in the Fundraising Task Force (or whatever you choose to call it) group should imply taking an active role. The people on the central Task Force should all be leaders of sub-groups, and have the necessary teams of people to carry out the work.

A number of the key positions are outlined below. Not every group needs all these positions filled, of course, and others are not on the list.

It may also take time to develop the full complement of leaders, if you are starting from scratch. The list may seem so long that it appears impossible to find all the volunteers you need. Don't let that deter you from starting with whomever you can get first. Others can be added later.

Your first task is to figure out what roles you will need people to fill. Here is Lyn McDonnell's list of Team Leader jobs:

***Chairperson/Coordinator:*** A real people-oriented person who can help keep everyone else on topic and on time in a nice way, during meetings and outside them. Should be a good recruiter, and knowledgeable enough to provide advice.

***Donor Groups Coordinator(s):*** Often it makes sense to divide the donors up into specialized groups. Examples might include donor groups such as clients, unions, service clubs, businesses, healthcare workers, and religious groups. If the groups are large enough, they may need to be subdivided (for example, health care businesses, local businesses, and banks). Different people take on the responsibility of coordinating activities to reach each group. Try to have people from the donor group head up each team. For example, a union is more likely to give if a union member approaches them.

***Special Events Chair/Chairs:*** There may be several special events underway. The coordinators are part of the task force.

***Grants Coordinator:*** This volunteer researches granting agencies, and assists in the preparation and presentation of proposals. People from the academic world are often experienced in this area (or interested in learning).

***Sales Coordinator:*** If you sell goods (whether through an annual garage sale or by producing special T-shirts and posters), a volunteer organizes the process, including recruiting producers of goods, collecting goods to sell, and managing the pricing and sales.

***Regional Liaison:*** National and Provincial organizations may want to pass on fundraising ideas to their local groups. The Regional Liaison person informs local groups, encourages their fundraising, and trouble-shoots as necessary.

***Publicity and Promotion Coordinator:*** One volunteer may be a link to the work of a promotions committee which supports the fundraising through its efforts to obtain publicity for the organization and/or event.

Volunteer experts agree: the person and the job must fit each other well, if work is to be done happily. But are there different types of volunteers to watch for? Here's one way of identifying work styles.

### *The Old Boys' Network / Power Brokers*

These high-powered, well connected people have clout, and, with due respect to charges of sexism, there aren't many women in these rarefied establishment circles --- yet. These people lend their names, or make a few important backroom contacts, and they give generously. They open doors, impress donors with their credibility, and collect favours. Almost every cause can benefit from their leadership and credibility.

Use them only for maximum impact. Don't expect them to come to board meetings, actively serve on committees or do tasks such as stuffing envelopes or decorating the gym.

### *The Old Hands / Expert Advisors*

Experienced volunteers who share their expertise can help you avoid reinventing the wheel. These advisors help out in publicity and media, accounting and financial management, law, fundraising and staging events. Don't waste their time on trivial details.

### *The Clones / Managers / Organizers*

People you trust almost as much as yourself. They see a task, make intelligent decisions and get it done quickly. Then they come back with new ideas. Rare but valuable. Give them freedom to act, not rules to follow.

### *The Drones / Workers*

Is this a rude title? Only in a society that doesn't value hard work! Bees could not make honey without a legion of drones. Everyone is a drone from time to time in their lives, even while doing very responsible work elsewhere at the same time.

These workers are task-oriented. Ask them to perform a task and they will. But when they're finished they stop and wait to be told what to do next. They may stuff envelopes or take major responsibility for a precisely defined campaign. Don't wait for them to approach you: they won't. But if you fail to ask them to do a job, preferably one that fits their talents, they may be insulted.

### *The Decision Makers*

These verbally oriented people would rather talk than do. When they're good at it, they can ask the vital questions and make brilliant decisions that create clear policy, workable strategy, and rational plans.

When they're bad, the meetings last forever and the group never acts. Don't use good meeting goers for any other task --- they'll submit recommendations instead of doing it!

### **Decide who you need**

Using these categories, make a list of all the volunteers needed to complete a specific task, whether it is holding a fundraising auction or preparing a corporate campaign. Prioritize the list, showing who you need first.

Next, determine what skills are available among your current team. Groups are often surprised to discover just the expertise they need among current and former board members, volunteers and clients. People may have hidden experience half-forgotten from another time in their lives, such as selling Boy Scout apples or Girl Guide cookies. At first they may not realize how relevant their experience might be from working on a church stewardship campaign, a union organizing drive or a student summer job in sales. They may be ready to take on more responsibility.

**Take a Human Resources Inventory**

Identify the missing elements in your Human Resources Inventory. Divide your current volunteers into their types.

People may have different *types of involvement* for different *activities*. For example, a person with computer experience may be an Advisor in that category. In Special Events, the same person might not have experience, and could be a Worker directed by someone who knows what they're doing.

Ask your volunteers what types they think they are, and whether they think they are in the right assignments. If they are in the wrong assignment, show which one they *should* be doing.

Code: (D) Decision Maker (P) Power Broker (A) Advisor (O) Organizer  
(W) Worker

Person:

Task	D	P	A	O	W



## Job Descriptions are needed for everyone

Job descriptions can help identify the skills needed for each strategy.

Having a written description of the different jobs that need to be done is a good recruitment tool. People appreciate having on paper an outline of what their responsibilities are.

## Recruit Leadership

When you set up your teams, there are special characteristics to look for. Try to find people with:

*Clout:* Respect from others, and the power to get tasks done.

*Enthusiasm:* Feeling good about what you do is contagious. If the leadership is doubtful, the job can't be done.

*Action makers:* Doers aren't enough. People who try to do all the work personally quickly become overburdened, and slow other people down. Try for people who are good at delegation.

When approaching people with whom you have not previously worked, do not ask them to take on assignments that last a year or longer. Start with three months --- or less! This gives you both a chance to decide if you want a long-term relationship. It is much easier to sever the connection with volunteers who are not performing well after a short 'trial marriage' than during open-ended terms of office. All *paid* jobs begin with a probation period. So should volunteer jobs.

Talented people may be hard to recruit. Put the emphasis on the end results the fundraising accomplishes, that is, the people helped. De-emphasize the financial target and the difficulties of the work to be done. The volunteers must be excited about what the money will do --- specific, measurable, human results, not by budgets and organizational needs. If possible, introduce the volunteers to the people being helped, or show them the facilities first-hand, so they really understand the need.

Choose the first task a volunteer takes on carefully. It should lead to quick success. Satisfaction will bring the volunteers back to try again.

Pair new volunteers with experienced ones, using a buddy system. The companionship lessens the loneliness of some tasks.

## Where Do You Find Top Fundraising Volunteers?

Now that you know what you need people to do, you can start recruiting.

Star fundraising volunteers are rare. But almost anybody can be adequate with a little training and support. However, here is a list of people who have special reasons to be exceptionally good.

Find top volunteers among people who:

- have moved to the community recently
- have received promotion to senior management positions recently
- may run for political office
- have retired recently or are 'at liberty'
- volunteer as a major life activity

## Volunteer Job Description Form

Volunteer Job Title:	
Goals of the Work: (in measurable terms)	
Deadline for the completion of the work:	
Number of hours required per week/month (total):	
Length of commitment required: minimum until (date):	desirable until (date):
Work the volunteer will have to do:	Skills/abilities/qualities needed:
Training or support we will offer:	
<p>Amount of authority to act independently</p> <ul style="list-style-type: none"> <li>• Spend money without permission up to limit of \$</li> <li>• Direct staff or volunteers to work on project</li> </ul> <p>Person: <span style="float: right;">No. of hours:</span></p> <p>Person: <span style="float: right;">No. of hours:</span></p>	
Name and related experience of  Supervisor:	
Buddy/Partner:	
Rewards, recognition for good work: <i>(Note anything particular this volunteer might especially value.)</i>	
<i>Add other details on a separate sheet.</i>	

- have recently graduated
- work in sales, media, advertising, PR, journalism
- are your clients/audience or their families
- have been trained in fundraising by other nonprofits such as the United Way, or university or hospital campaigns, who want to work with you because:
  - the other group's campaign is completed
  - the other group's campaign won't resume for a few months
  - they are tired of being a small fish in a big pond and would like to work with a group where they are appreciated more
  - they believe in your cause
  - they can learn useful skills working with you
  - they enjoy working for more than one group at a time

### Where can you look for good fundraising volunteers?

- Current volunteers<sup>2</sup>
- Friends of staff, board, and current volunteers
- the local Volunteer Centre
- school Life Experience courses
- community service programs through probation and parole, John Howard, Elizabeth Fry or the Salvation Army (especially for manual labour)
- school job centres
- personnel offices of big companies or government
- Unemployment Insurance Centres

### Develop a recruiting team

Get volunteers who are good at recruiting to handle this important task. Find those people among:

- personnel professionals
- people who are owed favours
- powerful people who volunteers want to please
- people who like people
- people who are good at delegating

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<sup>2</sup> People who volunteer give an average of 60% more money than those who do not, according to Virginia Hodgkinson, Vice-President for Research at Independent Sector, quoted in Chronicle of Philanthropy May 15, 1990.

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# 21 Questions for Volunteer Recruiters

## Before you recruit

- Are you clear about the goals of your program?
- Why do staff want volunteers to be involved in your program?
- Have you written up clear, concise job descriptions for the volunteers?
- What problems do you think might arise from having volunteers in your program?
- What suggestions do you have for circumventing these?
- What kind of training/orientation will you need to give your new volunteers?
- Who will be the contact person(s) for the volunteers once they are in the program?
- What provision will be made for on-going contact/support/problem-solving with volunteers?

## During recruiting

- How many volunteers will you need?
- How long a commitment will you demand? Will you be able to work short-term volunteers into your program?
- What special skills, qualities or qualifications must your volunteers have before they enter your program?
- How will you handle potential volunteers who won't fit into your program?
- What do you want to achieve in the initial interview?
- Does your registration form supply you with all the information you'll need?
- How will you conduct the initial interview?

## Orientation/training

Motivation: Why does your volunteer want to volunteer in your program?

- What do they want to get out of their volunteer work?
- Will your program meet their needs?
- What can they contribute to your program?

Feelings: Has the volunteer ever volunteered before? How do they feel about making a commitment?

Have they ever worked with [eg, handicapped] people before? What kinds of fears or feelings do they have in this area? What questions, preconceptions, myths or attitudes have they?

Skills: Are there interpersonal skills required? Are there practical skills required, eg, pushing a wheelchair? How will these skills be taught?

Contracts: Have you made provisions for a written contract with the volunteers?

## Client needs

Have you made provision for preparing clients for the volunteer's involvement?

## Record keeping

Have you made provision for accurate recording of: name/phone number/address/ emergency contact/schedules/hours worked/skills (used or learned)/responsibilities?

Are you prepared to provide references, perhaps certificates of recognition?

*C Victoria (British Columbia) Volunteer Bureau, June 1993*

## Provide a solid orientation

Orientation is crucial to ensuring that everyone is on the same track, perceiving the need accurately, and understanding the current situation.

At an orientation, outline the responsibilities of key volunteers: planning, recruiting others, coordinating activities and monitoring progress towards the fundraising goal. Ensure that volunteers know the level of support they will have.

## *Communications*

How will your group communicate? How often will they meet? In order to enable volunteers to be effective they must have information and perspective. Meetings and communications material enable people to gain this.

Don't assume that everyone knows how to organize meetings well. This is a skill that must be learned and constantly sharpened.

## *More Information on Good Meeting Management*

*Meetings, Bloody Meetings* is an excellent film, made by *Monty Python* star John Cleese. In a humorous way, it expounds excellent points. Though it is somewhat dated now, and oriented towards British business people, it's still worth seeing and can be borrowed from many public libraries. Ask for International Telefilm's *Meetings, Bloody Meetings* and *More Meetings, Bloody Meetings*.

## *Team Feeling*

Firmly throw the ball to your Fundraising Task Force. Talk in terms of a team. Encourage peer group support. Positive social experiences enable the development of good and productive working relationships. Discourage one-man bands (male or female).

## The Stages of Planning a Campaign

The Fundraising Task Force must plan through the following stages:

### *Encourage positive attitudes*

Turn the amount from a need to a challenge. Don't let people moan and groan too long about fundraising. Typical excuses Lyn McDonell has heard include:

- "I'm doing other things for this agency."
- "I fundraise for another organization."
- "It's not the priority as I see it."
- "I don't have the time."
- "I don't know how to fundraise (and I don't want to learn)."

Instead, point out the benefits of fundraising:

- opportunity to get more done
- greater community profile
- new volunteer opportunities
- a way to use existing staff and volunteer skills and contacts
- develops a solid base of community support

Encourage positive attitudes in others by your own attitude. Make the fundraising team the group to work with, the place to be, etc. A can-do attitude is contagious.

It is rare, but the fundraising team can have so much fun, and find it so rewarding that people actually compete to be chosen as members. Being selected a leader is not seen as a chore to be avoided, but as prestigious proof of your talent. At least one group has enough applicants for top volunteer positions to interview them and choose the best. What a goal to shoot for!

People who are nervous about taking on new assignments will be reassured by knowing that there's a process of orientation and training for volunteers.

### ***Know your dollar goal***

Set an overall goal. How much money must the agency raise? This has to be clear or nobody will have a sense of the scope of the task.

How do you decide on the amount for the goal? Usually it is based upon the agency's plans. Fundraising goals are the amount needed to enable the organization to do what it wants to do for its community or communities.

Knowing what you want to do and how much it will cost is the first step to setting fundraising goals.

Other factors which affect goals are:

- a shortfall from other sources;
- demand on your organization by granting agencies;
- information gained from a feasibility study, interviewing major funders to find out how they feel about your campaign, and how much they might give you.

Knowing how much you could raise is a factor in setting the goal, but not the only one. The need must be the driving force.

### ***Translate expense dollars to program benefits***

Define the dollar amount in values that outsiders can understand. What can your agency achieve with that amount of money? How can it benefit people?

Donors want to know how their money will be used. Remember: "People give to people."

Transforming dollars into benefits is more fully developed in the chapter titled "What's the Money For?"

### ***Identify potential donor groups and how you will reach them***

Establish the best audience(s) for your fundraising by looking at those your agency comes into contact with, serves, or involves. Identify like-minded groups. Then consider the types of fundraising you can initiate.

Relate the donors, the volunteers and the appropriate techniques. Then assess your strengths and weaknesses in reaching each group and using each strategy.

Although these points are more fully covered elsewhere in this manual, the following quick summary charts provide an unduplicated check-list to help you match the right techniques to the right volunteers and donors.

Draw lines connecting the correct techniques to use to reach different types of donors:

### Volunteer task

Meet face to face with a donor  
Make a personal phone call  
Write a personal letter  
Give speeches or presentations to groups  
Write grants proposals  
Organize special events  
Send printed direct mail  
Run a telephone campaign  
Get advertising in the media (paid or free)  
Sell advertising in newsletters or event programs  
Sell products  
Run bingos, casinos, lotteries and other gambling

### Types of Donors to reach

#### *Specially connected people:*

current donors

- small amounts
- large amounts

past donors

- small amounts
- large amounts

people who attended your special events

users of the service

relatives of users

volunteers, past and current

people who bought raffle tickets from your group

people who bought products from your group

community leaders

#### *Institutional givers:*

governments

community service organizations

service clubs

church groups

local businesses

unions

professional groups

#### *Mass market:*

general public

donors to other nonprofit groups

- small amounts
- large amounts

gamblers

Remember to identify ways in which existing activities can be enriched with fundraising. For example, at a conference or event, add a raffle, or an auction of sentimental items, or a speech directly appealing to the group for funds.

Look for ways to connect fundraising with the group and its sponsors in a meaningful way. A company might sponsor a work-a-thon where money is raised from the public for each disabled person involved in demonstrating his/her abilities. For example, they could construct a wheelchair ramp into an important public building that didn't previously have one.

### *Assign tentative dollar goals to each method/donor group*

Decide on firm financial goals later. At this stage, just estimate for basic planning purposes. Get reaction to these from others.

The amounts depend on any experience you have had, resources available to invest, the size of the group you want to reach, and so on. If you haven't any experience with a particular fundraising method, research what other groups have learned about it.

Personal interests may also mean that volunteers want to put more energy into an approach they enjoy, even if it is not the most efficient.

### *Leaders develop a calendar, plan, and budget for each strategy*

Create a separate plan for each activity. Your Fundraising Task Force coordinates them all.

Each leader draws up a human resource plan for each effort for which they are responsible. Recruit volunteers on the basis of how and when skills are needed to fit into the overall effort.

Good campaigns take long preparation before they can be executed smoothly. At a well organized special event, people will comment on how much money was raised "in just one evening", forgetting that it took 9 to 12 months of preparation.

### *Develop orientation for fundraising volunteers*

Each volunteer should receive a brief written kit to cover all the important questions s/he might have. Don't overdo it, or it will never be read. Each should also attend a meeting, either in a group or one-on-one, to let them know about the team effort.

A good orientation:

- informs
- motivates
- establishes goals
- outlines process
- answers key questions of volunteers
- builds team feelings

### *Prepare the communication tools to support each one of the strategies*

Materials such as a brochure, an annual report, and factsheets interpret the program to volunteers and to prospective donors.

They may include:

- the fundraising goal
- the benefits
- a story of one person helped
- a direct request that people give
- methods to make it easy for people to give (such as a reply coupon, a business reply envelope, a phone number)



### *Evaluate your goals, strategy and identify ways to improve next time*

As your fundraising activities unfold, find out what goes right and wrong. Record what people would do differently next time.

Evaluate continuously throughout, and at the conclusion of, the process. At the end of the fundraising activity or campaign, ask:

- Did we achieve the results we needed?
- Did we go about it the right way and use the best strategies?
- How well did the planning and organizing work?
- How do people feel about their work?
- What improvements might be made next time?
- What were the unintended results (both positive and negative)?
- How many hours of work did this actually take?
- What non-financial results did we achieve?
- What do we know now that we wish we had known at the start?

### Recognize fundraisers and donors

#### *'Bread-and-butter letters' to donors*

Mail a receipt for income tax purposes to the donors within 48 hours of receiving the donation. Include a thank-you letter. Start at once to cultivate the donor for the next approach. Keep him or her up to date on the progress of the project in which they invested.

#### *Here's how to make a volunteer feel good*

Send a short letter to the:

- volunteer
- volunteer's family who put up with long absences
- volunteer's employer
- newspaper
- volunteer's club

Give the volunteer:

- a private 'thank you'
- a public 'thank you'
- a promotion to a more exciting job
- NO promotion to an unwanted job
- something made by the clients with that one volunteer in mind
- artwork or a specially written poem
- an award, framed and ready for display
- a holiday from volunteer work
- use of a "volunteer-of-the-month" reserved parking spot
- flowers or plants for the home or garden
- flowers or a tree planted in his or her name
- a rousing cheer by the whole group

- a birthday or anniversary cake
- a T-shirt, mug, or pin to wear, especially if it singles out the volunteer as someone unique --- and even better if made by the clients
- a gift certificate donated by a hotel, restaurant, golf course, or craft shop
- a trip (with the team or to see the project)
- a training course or a book on something the volunteer likes that is also useful to the group (like photography or coaching)
- a captioned photo of him/herself in action, or beside a celebrity
- a pizza party
- something he or she really wants

### *Give lots of rewards*

Reward many people, not just the top performers who may have an unfair advantage.

Give rewards such as:

- Best First-Timer
- Most Improved
- Most Frequent Attendance
- Most Likely to Arrive First
- Most Likely to Stay Afterwards
- Most Popular
- Most Persistent
- Most Tickets Sold
- First to Sell a Ticket

### *When should you reward volunteers?*

*During the work:*

- as an incentive to keep going
- as an example to others

*After the work is done:*

- as relaxation and reward
- as a mark of completion

*Anytime goals are surpassed.*

### *How much should you spend to thank volunteers?*

**NOTHING!** Volunteers often resent seeing money needed for the work you do spent on recognition.

If an expense is involved, make sure it has been donated.

# Chapter 4

## The Four Types of Fundraising

NO MODEL IS PERFECT, AND THERE ARE SUBSTANTIAL DIFFERENCES between individual items in these four categories. But the similarities are enough to justify the grouping:

### Institutional Grantors

This category includes:

- federal ministries
- provincial ministries
- municipal, regional and county, including boards of education, public health, parks and recreation
- small and large businesses
- foundations
- service clubs
- United Ways (as regular funders or for special grants)
- religious groups
- unions
- employee funds
- professional groups (such as Business Women's Association)
- other nonprofits

These groups are rational and organized in the way they give away their money, and they expect you to be equally organized in the way you ask. Present briefs, plans, budgets and annual reports. Work with influential people to open doors.

The hardest part is deciding which grantors are best to apply to. It will take a few people a lot of hard, behind-the-scenes work, but if it pays off it can provide large sums of money.

*Speed of results:* Six months or more may elapse from initial contact to actual donation.

This is a bureaucratic system.

*Return On Investment (ROI) for dollars per hour worked:* high. Not a lot of labour is required, but it must be of high quality. Staff usually write the grant proposals, though volunteers could do more.

*ROI dollars per dollar spent:* high. Little cash investment is required.

*Spend 80% of the effort on:* behind-the-scenes research. The hardest part is deciding which funders are most worth the effort, and what would excite them.

*Increase income by:* having volunteers with contacts inside funding groups. Friends, employees, club members and other personal connections lift you from the slush pile. Personal presentations by volunteers help, even if they have no contacts.

*Hidden benefit:* gain credibility. Other funders are impressed by groups that have already received grants.

*Hidden curse:* short-term grants are most common. Funding seldom lasts more than three to five years. Frequently, it is only enough for a few months to build a demonstration project. Rarely can you count on ongoing core funding.

### Special Events and Product Sales

Special events and product sales include thousands of different ideas. They all boil down to "give donors something for their money". There are more similarities than differences between selling tickets to events and selling cookbooks, buttons, calendars or chocolate bars.

*Speed of results:* at least three to six months of advance planning are required to have "an overnight success". Results improve with each repetition. It is very similar to starting a business. Would you open a restaurant for one night? Jump into the show-biz world of concert promotion for one night? Profits can be slim.

*ROI dollars per hour worked:* low. This is labour-intensive. Many hours of volunteer time are needed. Too often staff find themselves drawn in as well.

*ROI dollars per dollar:* low to medium. Profits can be slim. Groups lose money, despite countless hours of hard work by many volunteers. Special events and product sales also tend to require a lot of money upfront. Events typically cost 50% of the money raised --- unless the expenses are covered by sponsors and in-kind donations.

*Increase income by:* holding fantasy auctions, and by charging high prices for "Gold" and "Platinum" admission tickets. Some of your supporters may be prepared to spend far more than you would imagine, if you make it exciting.

*Spend 80% of the effort on:* ticket sales. It doesn't matter how good the event is, if no one comes. Focus on events where you don't have to put on a show (a 'stay-at-home') or someone else puts on the show (a preview).

*Hidden benefit:* Events can educate people, gain you publicity and find you new supporters. In addition, people who are uncomfortable asking for donations often find it easier to sell something.

*Hidden curse:* The net returns after hard work can be very discouraging. Another problem is that donors in this setting often put on their 'careful consumer' hats. If you asked for \$25 as an outright gift they might give it, but offer a dinner worth \$10 for \$15 and they may counter that they could get a hamburger for \$2.50.

### Direct Marketing

Direct marketing includes:

- direct mail
- telephone campaigns (telemarketing)
- paid advertising
- free public service announcements (PSAs) in newspapers, magazines, radio, TV
- telethons and other television direct response
- door-to-door

All of these are ways to reach large numbers of people and ask for relatively small donations from each.

*Speed of results:* One to two years or more may be required to build up a significant donor base. Acquiring a donor list is the first step. After that you can build results from the house list of proven donors. Any mailing takes eight to ten weeks to get out, and another three months before all the income is in.

*ROI dollars per hour worked:* high. A week's work is enough to get a campaign rolling. Staff or consultants look after the mechanics. Volunteers can personalize letters to friends and handle receipts and thank-you letters.

*ROI dollars per dollar:* low at first, growing to medium. Direct marketing can be very expensive to start up, but can return larger sums of money year after year. Costs are always a significant proportion of income.

*Increase income by:* telephoning current and past donors. Reply rates can be five times better than mail, and average donations two or three times higher.

*Spend 80% of the effort on:* choosing the right lists. The right package going to the wrong person is a waste.

*Hidden benefit:* donors who will be 'upgraded' to larger amounts in the future. Monthly donors, gift clubs, and major gifts come from people who start with a \$15 or \$25 donation.

*Hidden curse:* 25% of donors disappear because they move. To replace each one who lapses, you need to ask 50 to 100 new prospects.

## Major Individual Donors

This category includes:

- one-on-one meetings with individuals
- planned giving --- wills and bequests
- some small groups

This is possibly the most efficient way to raise money at low cost. It is also one of the scariest. People need training before they're sent out to do this. The old saying is "80% of your money should come from 20% of your donors." This is the way to get those important larger donations from special friends. The biggest gifts come from personal, face-to-face discussions, not through letters or phone calls.

*Speed of results:* very fast. Although careful preparation and research are advisable, the first requests can be done almost immediately.

*ROI dollars per hour worked:* very high. This is possibly the most efficient way to raise money at low cost. Little staff time is required.

*ROI dollars per dollar:* very high. Almost no expenditure is required. Printed material is not essential.

*Increase income by:* concentrating on people who know the work you do very well and could give large amounts. Old friends may surprise you with generous gifts if they are asked. New friends take longer to win over.

*Spend 80% of the effort on:* role-playing. Practice how you will talk with donors before going to them.

*Hidden benefit:* People you never imagined could give large gifts will overwhelm you with generosity. They will be very happy to finally have a chance to give more. Eventually they may leave large amounts in their wills.

*Hidden curse:* Untrained volunteers may not believe it works.

# Chapter 5

## More Than Money

GOOD FUNDRAISING PROVIDES AN OPPORTUNITY TO GAIN MORE THAN just funds. In fact, if money is all you raise, your campaign may not truly be a success in the long term. Here is a sampling of possibilities in three categories. How many can you build into a fundraising campaign?

### Cold Cash (once you spend it, it's gone!)

- cash
- cheques
- money-orders
- credit card donations
- in-kind donations of goods and services
- post-dated donations
- pledges
- monthly electronic fund transfers
- payroll deduction plans
- bequests
- life insurance
- annuities
- endowment funds

### Warm Fuzzies (the good feelings that open doors tomorrow)

- publicity
- image
- contact with people
- credibility
- education
- motivation
- increased commitment
- good community relations
- partnership with an institutional donor

### Hot Flashes (enhanced ability to raise more in the long run)

- names and addresses of new donors to ask again and upgrade
- new volunteers
- tested ideas worth repeating
- leadership training
- re-invigorated volunteers and staff
- diversified sources of funding

# Chapter 6

## Special Events

### What an idea for a special event!

TOO MANY ORGANIZATIONS WASTE CREATIVE ENERGY TRYING TO COME UP WITH new ideas that may or may not work. You get no extra marks in fundraising for originality, only for productivity. While ideas do get worn out from overuse, consider borrowing a tried-and-true event like one of the following:

#### *Auctions*

Hold an auction in addition to other activities at a special event.

Why? It allows those who are capable of giving extra a chance to do so. While ticket prices are set for the level most people can afford, there are always a generous few who would give more if you made it appealing. Auctions are an easy way for people to give exactly as much or as little as they want.

All the prizes should be donated, of course! If you pay for a prize you run the risk of losing money. At the very least, you drive your costs up. There are so many wonderful things companies and individuals will give you free for an auction.

Sentimental prizes are usually better than merchandise. Bids for merchandise tend to stop just below the real market value. The price for non-commercial items has no set limit.

Consider items like Karen Kain's used ballet shoes, which are available free from the National Ballet, and have been auctioned off for \$400 and up. Other ideas: Pierre Berton's bow-tie; an autographed hockey stick.

#### *Example:*

- The Canadian Congress on Learning Opportunities for Women decided to auction celebrities' books. Donations came from authors Alice Munro and Doris Anderson, painter Alex Colville, Bishop Desmond Tutu, jazz musician Dave Brubeck, actors Clint Eastwood, Carol Burnett and Laura Dern, and many others.

"Our committee of four volunteers just made up a list of their 400 favourite celebrities," volunteer chair Nancy Drost told Michele Landsberg. "We sent out the letters cold, and we're just stunned by the response." (*Toronto Star*, April 2, 1994). Their fundraising goal was \$12,000.

Michael J Fox, the Canadian actor, sent an Alice Hoffman novel from New York with an inscription about the impact on him of Hoffman's "great female characters".

Mark Tewksbury, 1992 Olympic gold medal swimmer, touchingly wrote on the flyleaf of Maya Angelou's *Gathering Together in My Name*, "This is the book I turned to when I was frightened in the Olympic Village."



Services also work well. For example, dinner cooked by a volunteer who has a talent in the kitchen, gardening by a green-thumb, a ride in a local brewery's hot air balloon.

"Top-up" auctions can provide action for everyone. In these, each bidder actually gives the difference between his/her bid and the previous one, before a set, secret time limit expires. Amounts are smaller, but can add up. At the end, the bidding can be furious as each person realizes that for just a dollar or two more they could get the item without paying the full amount.

A good auctioneer is recommended. An auctioneer who knows what s/he's doing can get the prices higher, or read the crowds for signs of fatigue. They can pace the expensive items with the low-cost fun ones. Ask a professional auctioneer to volunteer time, or try a local celebrity who makes a living by talking, such as a radio or TV announcer.

### *The 'Stay at Home' Event*

People buy a ticket to a non-event, entitling them to stay home and relax. Since most people buy tickets primarily because a friend asked them, actually holding a complex event may be needless work.

This is especially popular among people who are constantly on the go. It does not work if your supporters love to party.

Explain how much money the group is saving and how much the donor saves (no baby-sitter, parking, gas, rented tuxedo, etc). For an extra benefit, schedule the non-event for a night when an important documentary related to your cause is on television.

Attach a tea-bag (donated, of course) to the ticket and encourage the donors to throw their own tea party.

#### *Examples:*

The Canadian Mental Health Association of St Catharines and District, Ontario, held a "stay at home" in 1993.

On a page accompanying the invitation, reply card and reply envelope, they wrote:

No need to dress up, attend a banquet, just put on your relaxing clothes and take time out for your mental health. Think of all the money both you and the CMHA will save!!! Here is an estimate (showing low to high range) of how much it would cost CMHA to sponsor a Gala fundraising event:

Hall	\$ 300	\$ 500
Food and refreshments	4,000	5,000
Entertainment (band)	500	800
Printing	500	600
Decorating	100	200
Advertising	300	500
<b>Total cost to CMHA</b>	<b>\$5,700</b>	<b>\$7,600</b>

This traditional fundraiser would cost you a lot of money, too!! Here is an estimate on how much it would cost you plus a guest to attend a Gala Fundraiser:

Tickets (two at \$35)	\$ 70		
Dinner for the kids	20	to	30
Baby-sitter (includes pop and chips)	20		30
Gas and parking	10		15
Refreshments and coat check	30		50
Preparations for Gala:			
Hair (ladies)	20		40
Formal wear	100		200
Dry clean	10		20
<b>Total cost to you</b>	<b>\$ 280</b>	<b>to</b>	<b>\$385</b>

The reply card read:

- \$15 receive CMHA membership and stress reduction tips.
- \$30 the above PLUS free video rental and 8slice pizza voucher
- \$50 all the above PLUS entry in a draw for one of three weekend getaways

The Catholic Women's Ordination Committee in the USA raised almost \$6,000 from 213 donors on a mailing list of 3,800 when they invited people *not* to attend "The First Annual NON-Ordination Followed by a NON-Reception, NOT to be held in the Cathedral School NOT scheduled to perform: Placido Domingo, The Mormon Tabernacle Choir, Tammy Baker..."

The reply card said:

Ge e thanks, Woc, for letting me stay home. Here's my contribution to ensure that I will be invited not to attend again next year!

- \$15 I will not attend
- \$25 Neither I nor my companion will attend
- \$50 No member of my family will attend
- \$100 I will keep the neighbours away
- \$250 I will keep my bishop away
- \$\_\_ I will have my own nonordination party

The Animal Health Trust of Canada, based in Toronto, tried similar ideas. In 1992 they found that 8.6% of the people they invited responded with an average gift of \$33.54.

### ***The Quit-a-thon or Slim-a-thon, or Anything-a-thon***

Friends sponsor people to raise money by giving up smoking (a donation for each smokeless day, or even for each cigarette less than usual), or for losing weight.

*Examples:*

- Big Sisters in Sarnia, Ontario, holds a pound-a-thon. "Each year organizers try to attract dieters who will build up a pledge list and melt away a few extra pounds..." , wrote reporter Cathy Dobson in the Sarnia *Observer*.  
"We are not encouraging a lot of weight loss. That can be dangerous" , said Big Sisters executive director Carol Chamberlain.

"The pound-a-thon's success varies from one year to another. I don't know why", she explained. "One year we'll make only \$3,000 from it and the next we'll make \$9,000. It's inconsistent but we make enough to keep it going."

- A work-a-thon raised money for the Spina Bifida and Hydrocephalus Association in Thunder Bay in 1993. Two women worked continuously for 60 hours.
- A hymn-a-thon at St James Anglican Church in Dundas, Ontario, raised more than \$4,000 to help a paralyzed teenager.
- Project Turkey raises money for the food bank in Regina, by asking people to pledge a personally set amount per pound of turkey. Started in 1987 with the energy of two people, Basil and Laura Pogue, they hope to raise \$100,000.

### *The Food Fair*

Each chef contributes one special dish to a gala buffet. The restaurant gets publicity and the guests get a gourmet treat. Also works with wine (or beer) tastings. Sell tickets as for any other dinner.

*Examples:*

- UNICEF staged what it called a Celebrity Chef Grazing Event. Fourteen well known chefs created buffet-style meals with an international theme for a gala evening event. Diners stopped at a station and filled their plates and wine glasses, paused to eat and then cruised on to another station to taste something different. *Globe and Mail* food writer Joanne Kates points out that "the celebrity chef dinner is replacing the rubber chicken gala. The chefs never say no; they believe they owe it to the community and they enjoy being considered one of a group of important chefs."

- Second Harvest, a perishable food recovery program in Toronto raised \$70,000 with a similar event in April 1992, called Taste of the Nation. Events like it were held during 1992 in Ottawa, Edmonton and Vancouver. Here is how the event was described in *Toronto Events Planner* (Fall Update 1992):

A sellout crowd of 750 hungry guests sampled their way around the main ballroom, at the Royal York [Hotel], enjoying the best the city's chefs could offer. Taste of the Nation was organized for Second Harvest by Share Our Strength, an organization based in Washington, DC that focuses on combatting hunger in North America and internationally.

Fifty chefs from Toronto's top hotels and restaurants donated their time and talent to prepare hundreds of 'taste-sized' hors d'œuvres, entrées and desserts. Each chef was present to serve his creation to guests, assisted by of celebrity sous-chefs who hailed from the world of arts, entertainment and the media.

In addition to unrestrained nibbling, the evening featured top level entertainment, the Harvest Wheel of Fortune, and a 'Cooks' Mart' where one could buy the whisk that had been used by a favourite and famous chef.

### *Parties and Galas*

This category includes events that can justify high admission prices or attract large numbers of people. Examples include: gala dinner-dances, benefit concerts, cruises, major sporting events, and premières of new movies.

The same ideas are often used to produce low-cost variations, with lower ticket prices. Examples include: Community beer halls, church teas, ethnic picnics, and hunger suppers (everyone eats rice and beans).

#### *Advantages:*

- High ticket prices can be a way to upgrade donors who are willing to give more, or more often.
- An event that is fun or prestigious can attract new donors who may give again in future.
- An event that builds a sense of community can strengthen the bonds among people, encouraging everyone to work harder for the common goal.
- An event that includes highly respected people can improve a group's image by association.
- Parties can bring in substantial net revenue.

#### *Disadvantages:*

- There is a high degree of risk.
- The workload is usually highly intensive.
- Organizations have lost fortunes.
- If the ticket prices are not high enough, supporters may complain that their money is being wasted on parties instead of being used for the purpose for which it is given.
- If ticket prices are too high, supporters who cannot afford the full price may feel excluded and complain the organization is becoming elitist.

### *Educational events*

Nonprofits are constantly trying to tell people about their work. Usually they stage a boring lecture and pass the hat for donations afterwards. But people will pay for the privilege if it's done right. Present lectures on topics of general interest, to make a profit or lure a select crowd that can be won over.

Examples include: a major speaker with a world-wide reputation; a slide show in a church basement; free seminars on estate planning (to attract people who will leave money in their wills to the organization); documentary movies.

#### *Example:*

Six remarkable women gave a series of lectures to support the United Way of Greater Toronto in 1993. They included Lauren Bacall, Ann Jillian, Patty Duke, Barbara Walters, Jehan Sadat and Marlee Matlin.

Tickets ranged from \$15.95 for a single event (in a less-desirable seat) to \$499 (for VIP seating) for all six performances. VIP seating included a Post-Gala Reception with guest speakers and a partial tax receipt from the United Way.

Corporate sponsors included CIBC, Imperial Oil (Esso), Canadian Airlines International, Eli Lilly Canada Inc, North American Life, Royal de Versailles Jewellers and Buick Canada.

#### *Advantages:*

- Celebrity lectures give the community an opportunity to hear a well-known speaker. Authors of new books are particularly desirable, as the publisher may pay travel costs.
- If the educational event is covered in the media, it can increase public awareness about your issues and/or your organization.
- If the speaker focuses on a topic related to yours, your donors will better understand why they should support you.
- With corporate sponsorship, educational events can become income centres. Add speeches, premium-price tickets, auctions of autographed works and all the other tricks to maximize revenue.

#### *Disadvantages:*

- Educational events seldom make much money.
- The speaker may be boring, may cancel at the last minute, or may be delayed by a snowstorm.

#### **How to ensure special events make more money**

Techniques can be used in combination to increase the income or decrease the labour. Here are some ways to get more income from almost any type of event.

#### *Get everything FREE*

Get in-kind donations for every possible expense. No other technique has produced so dramatic a difference in how much money is netted from special events run by grassroots organizations.

The urge to lower ticket prices is so strong in most volunteers that the revenue barely covers the budgeted expenses. But if, at the same time, the expenses are being reduced by donations of goods and services, a real profit is possible.

Anything you pay for can be had for free (although low-cost items can require so much work that it's cheaper to buy them).

For information on this, see the chapter on in-kind donations.

#### *Build the Mail List*

Collect names and addresses of all the people who participate, and find an excuse to re-contact them often.

Anyone who has helped you once is likely to help again. At least they've heard of you, even if it was only a name. Finding supporters is one of the hardest jobs a fundraiser has.

How do you get names? Offer a free draw in combination with the purchase price for the event. Make the prize attractive enough that everyone joins in. Have ticket stubs with a place where donors can write down their names and addresses. Make sure that everyone who buys tickets is included on the mail list even if they don't come to the event.

Once you've found them, make friends of them. Too many groups leave the names they've gathered from a raffle or an event to collect dust in boxes or --- worse yet --- they throw them out.

When do you re-contact them?

- right away to say thanks and share results
- within three to four months to ask for financial help on a different project
- just before the next special event

### *The Ticket Price Should be Double Your Costs or More*

Set a reasonable rate of return on tickets C at least twice the cost per person of putting on the event. If you can't keep half the gross returns, the event probably isn't worth doing.

Don't be too shy about high ticket prices. While high prices are certainly not for every group, many nonprofits are too fearful about the upper limits. How high can you go? In Canada, at least two major organizations have charged \$1,500 per person for fundraising events. But here's a story that will set most people's teeth grinding.

The US Republican Party held a dinner in 1992. Here is how Rod McQueen described it in the Financial Post (19 April 1992).

Last night's President's Dinner was the most successful fundraiser ever, vacuuming more than US\$8 million from corporate bigwigs and other hangers-on...

Cheapest ticket was US\$1,500, but most firms or groups bought seats by the tableful for as much as US\$20,000...

If you bought a table, a member of the House of Representatives joined your gang for dinner.

Two tables meant an invitation to a reception on Capitol Hill hosted by Minority Leader Robert Dole. And a senator or senior administration official at one of your tables. If your total was US\$92,000, a photo with the president that he later autographs. For the top end, a chair at the head table with [then president] George Bush...

### *Multiple Ticket Prices*

Groups very often lower the ticket price to accommodate the lowest common denominator. But a few people may be willing to pay more.

Give different levels of participation by charging prices at different levels to reach different markets. To accommodate the people who could not afford a regular price ticket, offer a discount for students / disabled / unemployed / single mothers / senior citizens.

But also offer premium-price tickets for those who would like to give more. Concerts and theatrical productions do this routinely, of course.

Providing special treatment for people who pay more is not essential. It helps, but you may be surprised to find people who will pay more because they are able to, without expecting special treatment. If concerns about elitism are an issue in your group, offer high price tickets with no premium treatment.

If this is not a problem, you may sell more by offering incentives to those at upper level/s, such as preferred seats, receptions, or photos with the guest of honour. Here's an example:

- For the regular price, you go to the concert.
- For an extra donation of \$10, the Gold Ticket holders get admission *and* a chance to win a fabulous prize.
- For an extra donation of \$25, the Platinum Ticket holders get all the above, PLUS an invitation to a reception afterwards with the star.
- For an extra donation of \$50, the Diamond Ticket holders get all the above, PLUS dinner before the show with local celebrity hosts.

At the other end of the scale, the same principle was used by eleven-year-old Megan O'Neill to raise funds for the Multiple Sclerosis Society in Sarnia, Ontario in 1986. Here is the story as reported in the *Sarnia Observer*:

The Multiple Sclerosis Society gets the proceeds from Saturday's yard carnival because it was the only charity that didn't use a machine to answer her phone call.

Megan's birthday party had grown dull and the girls were getting restless in the O'Neill home. AI said, "Why don't you find an organization and see what you can do?" says Megan's mother, Jane O'Neill. The girls needed no further prompting.

The girls devised a unique formula to determine the price of admission [to their backyard carnival]. Children age six and under paid 10 cents, children six to 12 paid 15 cents, teenagers paid 20 cents, and anyone 21 or over paid their age. "We hope lots of senior citizens make it out," joked Ms Gardiner.

It all follows the old biblical principle: "From each according to their ability."

### ***"No Show" Option***

Many people buy tickets with no intention of attending. Encourage them to tell you this when they buy, so you can have accurate estimates for seating and catering. A check-box on the ticket stub or order form could say:

- I cannot attend. Please give my ticket to an unemployed person / student; *or*
- Resell my ticket to raise more revenue.

This can also increase sales, since it makes it harder to refuse to buy because "I'll be busy that night."

### ***Concentrate on Selling Tickets***

The biggest mistake most groups make is over-estimating how many tickets their supporters can sell.

On the average, a ticket seller will sell ten tickets or fewer. A few super-stars will sell many more. Their sales will be counter-balanced by those who take a book of tickets and return them unsold.

To find the total number of tickets you'll sell, count your active volunteers and multiply by ten. Don't expect many strangers to sell tickets for you, unless you have a marvelous relationship with a service club.

Don't over-estimate how many tickets will be sold through the mail, or in booths at malls (unless run by very assertive people), or in ads, or because you got a good story in the media. Most tickets are sold by volunteers asking their friends.

### ***Combine Ideas to Add Income***

Look at combinations of ideas. Think of ways to add in more income-producing combinations, within limits of practicality.

A dinner-dance can include an auction. A bar night can include a casino. Wheel-a-thon sponsors can become eligible for raffle prizes.

### ***Put a price tag on everything***

Many items can become extra sources of income. For example:

*Take souvenir Polaroid photos.* For \$5 you can have your picture taken with another guest.

For \$25 you can have your picture taken with the star of the evening. For \$50 you can have an embarrassing photo of a friend. For \$100 you can have an embarrassing photo of yourself destroyed.

*Get the camera and film donated.* Get a professional photographer or a very talented amateur to donate time. Include a simple cardboard frame, like a school photo.

Classical concert pianist Anton Kuerti has even auctioned the encores at his benefits! He offers to let the highest bidder decide which composer he will play. Prices can go into the hundreds of dollars for each of three encores.

*Bail people out of (and into) jail.* Set up a cardboard 'jail' at a festival or in a shopping mall. Ask a local celebrity (politicians are good) to be imprisoned on fun charges. Keep it silly: wearing a tie on a holiday; driving a wheelchair without a license, etc. Levy a 'fine' or 'set bail' at a reasonable figure. Ask friends and supporters to bail him/her out with donations to the group. Other people can contribute to a "Keep the Old So 'n' So Locked Up Fund."

On the negative side, groups concerned with prison conditions, such as the John Howard Society or Elizabeth Fry have complained that Jail-and-Bail events make light of a very serious problem, and should be discontinued.

*Sell the floral centerpieces at a dinner.* Get flowers donated for each table (perhaps permanent silk flowers). Someone will take them home. That person should pay a reasonable price.

*Get a Sponsor.* Get sponsors to underwrite the costs in part or in full. Not all expenses can be covered with donated goods and services, of course. Rather than cover these out of revenue or put up your risk capital, find a sponsor.

Even when costs aren't the issue, sponsors may want to associate themselves with the right events for a suitable fee. This can result in significant revenue before the first ticket is sold.

Theatres are masters at this, of course. Many sports events, musical concerts and art shows are also sponsored. Grassroots groups can also arrange sponsorship for the right kind of events.



Insurance companies may sponsor a series of public lectures on purchasing disability insurance, which could bring out wealthy people who might become donors. A winery might sponsor a dinner-dance. An auto maker might sponsor a sports event.

### *Piggy-Back*

Rather than produce your own event, sell tickets for another group's production.

Selling the tickets for an event is hard enough, without all the work of hiring the hall and arranging the entertainers as well. Let someone else do that part. Theatre companies and concert producers are often glad to give a group a substantial discount on tickets that they sell.

Many of the best selling *theatrical performances have charity nights*. Shows that are not guaranteed to sell out are even more likely to provide you with a block of seats. You end up helping each other, in a win-win situation.

*Movie distributors* will also let a nonprofit have a *gala opening night* of a new film as a way of getting extra publicity.

Even *restaurant owners* have been known to host a banquet at far below cost just before they open a new restaurant or during a slow season. It attracts customers, and gives the staff practice.

You have the extra pleasure of selling tickets to an event people have heard about. They know it will be a first-class professional celebration. They are excited about being among the first let in on a new opening.

This works best if there is a relationship between the cause and the event. A movie about a disabled hero, or a restaurant that is accessible or has braille menus. But it is fine even if there is no connection at all.

Piggy-back further by getting a co-sponsor to handle all the publicity. A radio station or a newspaper might like to be seen to be doing good for the community, especially in combination with a prestigious professional event. A corporation might sign in as a joint presenter, and have their PR people handle the media work. A company that is already sponsoring a theatrical event might be a good bet for a combination like this.

The one thing they can't do for you is sell all the tickets. You can concentrate all your efforts on that.

### *Print a Program*

Print a program to distribute at the event. Whether it is a simple two-page flyer, or a multi-page extravaganza, it serves important purposes. Here are suggestions in order of priority:

*Use the program to thank all the donors and volunteers.* Seeing their name in print will make people feel appreciated. That's important if you want them to help again.

*Get the printing of the program donated.* Include at least a line on the back cover thanking the printer for generously donating all the costs. If appropriate, also include an ad for the company that did the printing.

*Make the program attractive enough that you can sell it as a souvenir, not just give it away.*

Rock concerts routinely produce fancy programs that fetch very high prices from fans who have already paid for expensive tickets --- and all without a charity appeal.

*Include information about your work in the program.* An exciting article about you can make people understand what you do as never before. Perhaps you can get it written free by a talented journalism student who wants clippings for a portfolio. You can also include ads about various projects you hope people will sponsor. It should make people want to give you money so be sure to include a blank cheque and a postage-paid reply envelope.

*Sell ads in the program.* Your bigger donors might get free ads. Others may simply want to include an ad that says 'congratulations' Or a local restaurant may want to attract people after the show. A record store may want to let people know they have albums by the entertainer of the evening, or a book store that they have the entertainer's biography.

Be careful with this idea, however. Trying to sell ads can consume a lot of energy for very little rewards. Perhaps you can get the business people from a local service club to look after the ads. They're used to selling. If you're co-sponsored with a radio station or a newspaper, their ad people might help out. If the production quality of the program is also high enough, this should be possible.

### *Learn from Experience*

No matter how experienced you are in running special events, each different type is unique. If you're going to invest the time and money in learning how to do it well, be sure it can be repeated. If you're only going to do it once, be sure it makes a lot of money then and there. Most ideas don't. They improve with age. They become part of the community's traditions. So be sure to follow these rules:

### *Avoid Single-Shot Ideas*

Your first special event is *not* to make money. It's to make *mistakes!* The *second* time is for money. Or to achieve other great results.

### *The hottest tip of all: build on a winner*

There are no marks for originality in fundraising, only for productivity. Don't look for new ideas; improve the best of the past.

Trade ideas with your 'competitors' Ask them what has worked and what hasn't. Everyone wins when you share info.

### *Start a 'Swipe' file and an 'Oops!' file*

Whenever you see a good idea, tuck it away for future reference. Do the same with bad ideas.

Then, when you have to design a ticket, or a poster or a program, you'll have examples of what you like and dislike.

Before you copy an idea (or avoid it) based on your personal prejudices, contact the group that did it and find out how they fared. The ugliest production may have been a winner financially. The most attractive may have bombed. Find out.

For more information on this topic, see the Guide to Special Events Fundraising by Ken Wyman, available free from the Voluntary Action Program. Contact info for requesting this book can be found in the resource section at the back.

*Keep good records*

- who gave how much
- sources of free goods and services
- volunteer talents (and problems)
- who to ask again
- how much time it really took
- hidden costs
- problems to avoid

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Multicultural Moment:

## Potlatch Made Illegal in British Columbia

*Philanthropy has a long and often ignored history. The potlatch ceremony was a form of community support on the West Coast that predated the arrival of European settlers in North America. In 1893, they were suppressed. Potlatches were as routine as elaborate weddings or corporate Christmas parties are today. This special event was designed not to raise money but to give away food, blankets, and all manner of needed provisions and artful joys.*

*Here is part of a petition to remove the ban on potlatches, sent by the delegates of the Naas River Indians to Member of Parliament GECobould:*

WE SEE... A CONTRADICTION STATE OF AFFAIRS ADORNING YOUR CIVILIZATION Churches are numerous; theatres are located in the various sections of the town; and saloons multiply in numbers; all of which are in conformity with your laws. Consequently, we wish to know whether the ministers of the gospel have annihilated the rights of white men in these pleasures leading to heaven and hell exactly in opposite directions. They have kindly forced us out, as we are 'not in it'.

In the difference of your wisdom, have we committed any offence against the almighty God or civilized humanity by bestowing on our poor Indian brethren the pleasures of our hearts by donations of charity in token of friendship? If it is a sin against nature or a damage to government, society or otherwise, we will yield with the kindest of feeling to your imperial mandate.

You have your Christmases, Fourths of July and 24ths of May, all of which you celebrate without interference *sine qua non*. Money is spent in squanderous profusion with no benefit to the poor of your race.

We go to the entertainments of your theatres and you charge us money for the privilege. We give our dances at which our guests are welcomed by the testimonial of donations, according to our custom --- the inheritance of our fathers.

If we wish to perform an act moral in its nature, with no injury or damage, and pay for it, no law in equity can divest us of such a right.

We see the Salvation Army parade the streets of your city with music and drums enchanting the town; leading wanderers and helping the poor-- by making him pay for all he gets...

We see in your graveyards the white marble and granite monuments which cost you money in testimony of your grief for the dead. When our people die, we erect a large pole, call our people together, distribute our personal property with them in payment for their sympathy and condolence, comfort to us in the sad hours of our affliction. This is what is called a potlatch --- this privilege denied us.

It is a chimera that under the British flag, slavery does not exist.

[signed]

Wise-as-you

Simh-Sam

Naas-Quah-So

Source: display at the Royal British Columbia Museum

*Train new leaders and re-train old ones*

- who can be the under-study?
- allow people to retire before they burn out
- keep retirees as advisors

# Chapter 7

## Gambling

MANY NONPROFIT GROUPS HAVE HAD SUCCESS WITH TECHNIQUES DESIGNED TO lure people in, whether or not they care about your cause, or even know which organization is hosting the event. Ethics, and the effects any fundraising technique has on your image must be considered carefully.

Examples include: bingos, raffles, casino nights, and draws for a vacation, a house or a Rolls-Royce (runner-up may win a pair of matching Porsches).

Raffles may be the best of these techniques because they are more than just a source of short-term income. They can be a way to acquire new supporters for the long term. In raffles, you can also get donations for prizes and ticket printing, making raffles virtually cost-free. Raffles also present fewer ethical concerns for most groups.

### *Raffle tip: Create a perception of high value.*

Concentrate on 'dream prizes' as opposed to cash. It is too difficult to compete directly with government lotteries offering large sums of cash for low ticket prices. Dream prizes add a unique flavour. Examples include trips, weekends in hotels or resorts, dinners in restaurants, tickets for major sporting events or concerts, larger consumer goods such as a barbecue, a canoe or a snowmobile.

Offer many prizes, so that more people win. Increasing the odds of winning increases ticket sales. For example, you might give away a hundred items as the tenth prize, such as flashlights, free hamburgers at a local restaurant, or hats bearing the logo of a major sponsor.

If possible, guarantee that every ticket-buyer wins a prize worth at least the price of their ticket. For example, ticket stubs could be used for a discount on merchandise, such as two dollars off a pizza, or a tank of gas, car wash or movie.

### *Get printing free*

Arrange to get the printing of the tickets donated. Offer to put the printer's ad on the back of every ticket.

### *Collect and use names and addresses*

Collect the names and addresses of people who buy raffle tickets.

Send them all letters within six weeks of the draw, to convert them to regular direct mail donors. In the letter, announce the winners, state how much was raised, and ask for an additional donation. Pattern this letter after direct mail pieces, using a reply coupon and a postage-paid business reply envelope.

Calculate the percentage of raffle ticket buyers who become donors and compare this to other methods of acquiring new donors. Use the list to make sure each person who buys tickets is asked to buy again each time a raffle is held.

### *Make sure to comply with all laws*

There are a complex array of municipal, provincial and federal regulations affecting raffles and lotteries. Follow these closely. Apply for all necessary licenses.

For example, Revenue Canada will not allow charities to issue a charitable tax receipt for the purchase of raffle tickets.

Provincial regulations may call for a licence fee based on a percentage of the retail value of the total prizes.

### *Avoid raffling cars and houses*

House lotteries have reported difficulties in several cases. One reported a loss of \$600,000.

In car lotteries, the car is seldom donated, although it is often provided at dealer's cost. It must be paid for in advance.

### *Consider a large-scale lottery*

After, and only after, testing small-scale raffles, investigate very large-scale lotteries.

The Health Sciences Centre in Winnipeg, for example, held a very large-scale lottery in 1991, which grossed about \$1.3 million.

They retained a company to research what prizes people wanted most, to establish prizes, and to create a ticket sales structure. There were a total of 648 prizes. Ticket buyers had a 1 in 24 chance of winning.

Tickets were \$100 each. Please note that the Health Sciences Centre had previously had a \$100 per ticket raffle. They also had a list of almost 24,000 people who had previously purchased raffle tickets, and almost 8,000 donors.

A full-colour package was sent out to 32,000 previous donors and raffle ticket buyers. Another 100,000 were sent as postal drops to affluent neighbourhoods. This required a substantial investment.

Special phone lines were established with bonded operators to take ticket orders over the phone with credit cards. About 40% of the orders came over the phone. Slightly over 40% more came through the mail. The remainder, just under 20%, were sold through personal contacts.

In conclusion, this was a complex, expensive, professionally managed undertaking for a highly respected, well known hospital --- and it was extremely successful. Grassroots groups might not do as well.

## **The Pro's and Con's of Gambling**

Although the laws are different in each province, key issues remain the same.

### *Pro: Reach New People*

People who buy lottery tickets are not doing so as donors. The majority of people who buy tickets are interested in the possibility of a pay-off. From 5% to 20% of them buy to support the group itself. This means you can get money from people who would never otherwise support your work.

It may also mean that you can convert a fraction of them to supporters C but only if you get their names and addresses. That's hard to do with Nevada tickets or bingo games. It's much easier with raffles.

***Pro: Big Profits --- Sometimes***

Bingo operations at the Toronto-based Variety Club of Ontario, which aids handicapped children, produce more than \$2 million a year C over 50 per cent of its total revenue, director Michael McLaughlin said.

Break-open tickets are increasingly popular. Why? AProfit is seven times investment@, says the president of Mister Nevada Ltd.

***Con: Potential Losses***

Chatham, Ontario, now has three bingo halls, with a population of 42,000. A charity organizer there says that on one evening, after the prizes had been given out and the hall paid, "I think we lost \$7, overall --- for a whole evening."

***Con: The Cost of Prizes***

Provincial laws may require that you have all the prizes in advance. If there is a cash prize, the money must be deposited in the bank before you start and remain untouched throughout the draw. Thus, you can't use the income from the first tickets sold to buy the prizes.

***Con: Difficult or Impossible to Change the Raffle Date or the Prize***

Once you start a raffle, you cannot postpone the date of the draw, just because ticket sales are low. According to various provincial laws, even if you are losing money, you must stick to the schedule. Nor can you change the prize after the permit is issued.

***Con: Legal Risks***

The York Region (Ontario) branch of the Alzheimer Society and four lodges of B'nai Brith pleaded guilty in provincial court to altering bingo game schedules and exceeding authorized prize limits, in 1990. Dozens of additional charges have been laid against charities and hall operators.

In Hamilton, Ontario the gate shortfalls at the three bingo halls then operating (there are now five) resulted in the halls extracting an average 23% of the take as expenses, instead of 15%, according to figures obtained by municipal officials in 1988. Those extra eight percentage points translated into almost \$900,000.

Yet so powerful are the hall owners --- increasingly concentrated in numbers --- that virtually no charity is willing to complain publicly.

"The hall owners, through fear and intimidation, can make the charities sit up and bark", said one provincial government official.

Staff Sergeant Peter Bengé of Metro Toronto's Morality Squad estimates that a minimum of 5% of the money due to charities never gets there.

"More than \$30 million is skimmed off charitable proceeds annually by unscrupulous operators," says Ontario's Minister of Consumer and Commercial Affairs, Marilyn Churley.



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Multicultural Moment:

## The Lottery

LOTTERIES WERE AROUND WELL BEFORE RECORDED HISTORY IN THE FAR EAST. They were also a favourite amusement of the Roman patrician class. In the middle ages, Italian merchants used them to dispose of merchandise.

The year 1466 saw the first recorded public cash lottery in Bruges (Belgium). In 1520, Francis I established lottery offices in Paris and four other French towns. As European rulers recognized their revenue potential, lotteries quickly spread throughout Europe during the 16th century, and to the European colonies in the 17th and 18th centuries.

The British Museum was started with a lottery in 1753, authorized by Parliament to finance the first collections. The lottery raised \$300,000.

By the mid-19th century, lotteries began to fall from grace. Mal-administration, overuse, illegal practices and moral outrage stamped them as a disreputable revenue source. In the United Kingdom, state lotteries operated from 1569 to 1826, when they were declared unconstitutional.

In 1846, the British Parliament, through the Arts Union Act, exempted voluntary associations from the general prohibition and permitted them to operate lotteries "distributing by chance works of art."

The first lottery in what would become the United States was authorized by King James I in 1612. By the end of the 18th century, lotteries were commonly used in support of education, including such prestigious institutions as Harvard and Columbia Universities. In addition, they were used to finance public works such as streets, buildings, water supplies and fire equipment.

Americans prohibited lotteries from the 1830s until 1964.

In Montreal, in 1783-84, the British authorities ran a lottery to construct a new prison for the city.

In later years there arose in Lower Canada "a whole new spate of lotteries C all claiming to support one or another such worthy cause as the promulgation of Fine Arts and Letters, Maple Syrup, Fatherhood..."

During the 18th and 19th centuries, there is no evidence that lotteries were used in Upper Canada except for the abortive attempt to finance the Ontario, Simcoe and Huron Union Railway in 1849.

Today, Spain has the largest lottery in the world. Lotteries also operate in Mexico, the Netherlands, Austria, Australia, West Germany, Brazil, Japan, the former Soviet Union and most Eastern European countries.

*Source: Lotteries and the Arts*

# Chapter 8

## Institutional Grantors

### SERVICE CLUBS

SERVICE CLUBS GIVE MILLIONS OF DOLLARS AND THOUSANDS OF VOLUNTEERhours to good causes in every community.

There are many different clubs --- the list at the end of this chapter names almost a hundred, and more are added often. Some are world-wide; others operate in a single neighbourhood. The definition includes groups of employees such as the Telephone Pioneers of America, religious groups like the Knights of Columbus or Anglican Church Women, and even car fanatics such as the Corvette Clubs.

Many nonprofit groups have gotten support from service clubs just by luck. Working with them effectively, however, involves a systematic process. This can lead to multiple and growing donations lasting over several years.

Here's how to proceed:

#### *Step 1*

##### *Find Your Contacts*

Making contact through a member is the most effective way to begin.

##### *a) Who do you know?*

Do you know anyone who is a member of a service club? Endorsement of your work from a club member will help you get a donation. To find someone who belongs, ask your:

- board
- volunteers
- staff
- family
- donors
- members
- clients

##### *b) Ask for introductions*

If you have previously received support from any service club, ask them to introduce you to other branches of the same organization.

Ask, too, whether the service club has different divisions for younger and older members, or men and women. You may be able to get donations from each level.

For example, the Junior Chamber of Commerce --- known as the JayCees --- doesn't allow people to remain members after their 40th birthday. However, people over 40 can belong to the JayCee Senators.

##### *c) Find local clubs*

Service clubs almost always prefer to help local groups. This does make it more difficult (but not impossible) for nonprofit groups that operate regionally, provincially, nationally or internationally.

No national directory of service clubs exists yet, to the best of my knowledge. One reason is that many clubs have no building, and the mailing address changes as the executive members change. However, directories are available in many communities. Service clubs are often listed in the directory of social services which is researched and published by the local community information centre, volunteer centre or the United Way. This is often called the Blue Book (or the Red Book).

Failing that, look for signs showing where and when meetings are held. These are often found in hotel lobbies, or at the city limits in smaller cities.

#### *d) Join a club*

Consider joining a service club yourself, if you hope to build long-term support. You will learn a great deal about the club culture, gain credibility, and meet interesting people.

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### Profile of a service club

## The Junior League

THE ASSOCIATION OF JUNIOR LEAGUES INTERNATIONAL HAS OVER 276 BRANCHES in Canada, the USA, Mexico and Great Britain. There are more than 188,000 members. They reach out to "women of all cultures between the ages of 18 and 44 who seek active community involvement and opportunities for leadership through volunteerism." The Junior League has been operating since at least 1926.

The Junior League has an unusual way of helping. They adopt selected nonprofit groups and assign members to serve on the groups' boards as representatives of the Junior League. These members receive special training in how to be outstanding board members.

Like many service clubs, they also provide grants, often extending over many years. Examples of larger projects taken on by the Junior League of Toronto (as listed in their brochure, *Reaching Out Together*) include:

Established New Directions, a support agency for women in transition due to divorce, separation or widowhood (1983 - 88)	\$265,000
Provided volunteer and financial support to CM Hincks Treatment Centre, a child and adolescent psychiatric centre (1964-69)	\$100,000
Produced <i>Perfection and Control</i> an eating disorders video, workshop and book (1986-91)	\$ 30,500
Published <i>Toronto with Ease</i> , an accessibility guidebook for people with disabilities (1969/80/84/90)	\$ 70,000

## *Step 2*

### *Research The Club*

Every service club has a different mandate and interest area. Find out their interests before approaching them officially.

#### *a) Ask a member*

Ask a club member what their club has supported. What are their priorities?

#### *b) Do speeches, requests mix?*

Ask if it is appropriate to request a donation when making a presentation. Some welcome it; others consider it rude.

#### *c) Different kinds of help*

Ask if they can provide financial support or people power. Many clubs prefer to help out with labour. They may adopt your cause and organize a special event for your organization on their own. They may volunteer to help out on your bingo night. They may agree to sell tickets to an event you organize.

The Foothill Kinsmen in Ontario's Niagara Peninsula, for example, included the Spina Bifida and Hydrocephalus Association in their annual benefit dance. Over 800 people attended. Kinsmen assisted in setting up the stage, providing security around the arena, and selling tickets for a television set that was raffled off. The Spina Bifida and Hydrocephalus Association got the proceeds of a golf tournament held by the Associated Canadian Travellers, Windsor District, in 1993.

Mississauga Recreation and Parks' Teen Centres approached the Civitan service club, with estimates and alternatives in hand, to ask for a sound system. The Civitan not only agreed to donate the cost of the system, they went with the teens to select it. It now provides the music for the Teen Centres' weekly dances, and occasionally is loaned to the Civitan for their events.

#### *d) Who are the typical club members?*

It's always nice to know who you will be talking to. Clubs can be very different from one another.

In some clubs, the profile is well researched. The Royal Canadian Legion, for example, published this profile of people who subscribe to Legion magazine, compared to average Canadians:

#### **Profile of Legion Members**

Living in communities of less than 200,000 people:

Canadian average    50.3%

Legion subscribers    76.1%

Healthy and active:

86% of Legion subscribers claim avid interest in health, medicine and science, and pursue activities such as walking, jogging, gardening and travel.

Early adopters:

86% buy new products like microwaves, VCRs, camcorders, CD players

Securely Affluent: 111

- 78% own their own home
- 57% live mortgage-free

### *e) More questions to ask*

*What causes do they usually support?* The Lions Club, for example, has major programs on service to the blind and sight conservation.

*Do they usually give money, time, or some other form of support?*

*How much do they usually give?*

*How many groups do they support each year?*

*Will they support a group for several years? If not, how long must you wait before you apply again?* The Ottawa chapter of the Altrusa Club (an international business and professional women's association with 20,000 members in 17 countries) has supported the Elizabeth Fry Society for more than 35 years, according to the Altrusa Club's spokeswoman, Mureille Normandin.

*What specific topics do they have strong views on, requiring you to be careful?*

*Can you make a presentation to them?*

*How long can your presentation last?*

*Can you bring audio-visual aids?*

### **Step 3**

#### ***Make A Presentation***

Service clubs often welcome speakers --- perhaps too much so. Clubs that meet weekly are hungry for fresh entertainment.

Beware! Not everyone who speaks gets a donation. Some get only a souvenir paperweight or a ceremonial cactus.

Why it's worth making a presentation:

- You may get a donation from the club.
- You may get support from some of the individuals attending, if not from the club.
- You may meet some influential people.
- You may consider it important for community education.
- You can rehearse your public speaking.
- A good presentation may impress them deeply. Emphasize the emotional and human side of your work. Remember the old truism: "People give to people."

### **Step 4**

#### ***Follow up***

If you get a donation, make sure to thank the club properly. It's amazing how many report that the only way they know the donation was received was that the bank returned the cancelled cheque.

- Write to the club president and any other officers you met. Have the people you help write a letter of thanks, if it won't violate their dignity or privacy. Drawings from children are especially popular.
- Give them credit on your event program or flyers, or in your annual report.
- Arrange publicity in the media, ranging from a photo of a cheque presentation to a ground-breaking or ribbon-cutting ceremony, to a letter to the editor.
- Invite them to see the project they funded in action.
- Send holiday greeting cards.
- Encourage them to write about the project in their club newsletter, locally or nationally.
- Ask if they will make connections for you to other levels of the club, or to people they know in other service clubs.

# Tapping the Hidden Market

*Tom F Balke*

SERVICE CLUBS REPRESENT one of the untapped markets for donations, gifts in kind, and key contacts in the community.

This article will describe the particularities of service clubs, how you can locate contacts in your community, how to approach service clubs, and how you can network with service clubs for a variety of purposes.

## The Who, What, and Where of Service Clubs

A quick look in your local community newspaper will provide you with information concerning the service clubs active in your community. A service club can be loosely defined as any community-based organization which has regular meetings, raises funds, and supports various service projects. Some of these clubs have their own foundations and national organizations which may provide matching funding.

You may already be familiar with a number of service clubs, including the following: Cosmos, Kinsmen, Knights of Columbus, Lioness, Optimists, Rotaract, Comradettes Service Club of the Blind, Kinettes, Legion, Leos, Soroptimists, Interact, IODE, Kiwanis, Lions, Masons, Rotary, and Zonta. Each club has its own specific interests and project requirements. The majority of service clubs are interested in community projects rather than international projects, and yet the experience of Operation Eyesight Universal shows that with effective marketing and project follow-up, anything is possible.

Service clubs assist with a range of charity projects including crisis intervention services, environmental projects, drop-in centres, international student exchanges, and the arts.

It is important to understand that each group has distinct culture and organizational rituals. Your task is to make contact with your local service club and determine what interests it. Service clubs are sometimes jealous of each other as they compete in fund-raising projects, and vie for media attention in local newspapers.

## How to Infiltrate

### Your Local Service Club

Which of the above organizations have you had contact with? Do you know any local Rotarians, Lions, or Kiwanians? Does anyone on your board know someone involved with one of the above clubs?

The best way to approach service clubs is through the back door. Offer through one of your personal contacts to give a presentation to the local club. This method is far more successful than the cold call approach.

If all else fails, contact your local newspaper, chamber of commerce, city hall, or reference librarian.

### **Membership in Service Clubs**

If you are responsible for fundraising over a large geographic area, you might consider becoming a member of a local service club. This will grant you a level of respect which is otherwise difficult to develop. Membership in a service club is only effective if you are willing to take the time and effort to network effectively.

Membership in a variety of service organizations enables you to 'make up' at any regular meeting of any club around the world. This is your passport to visiting other clubs in your area and gives you the opportunity to informally discuss the work of your charity.

### **Presentations to Service Clubs**

Before making a presentation to your local service club, take the time to ask the program chairperson how long your presentation should be, whether a slide projector or VCR is available, and how many people will be in attendance.

Each service club has its own protocol. You may want to ask what the specific interests of the local club are.

Plan ahead to bring brochures and audio-visual aids. Be visual!

Remember, many 'knife and fork' members have heard hundreds of presentations. Make sure that yours is interesting, visual, and relates to a mix of personal experiences explaining the human impact of your organization. Humour also helps, but it should not be overdone.

Many service clubs are uncomfortable with a strong direct pitch during your presentation. Don't tell them how much you want from the club; seed imaginations, provide them with opportunities, and above all tell them moving personal stories about the concrete impact your charity has had.

### **Making the Solicitation**

I have found that the best response is obtained by preparing a specific proposal tailored to the interests of a given club. Follow up your presentation with a nice letter to the president containing a project proposal. If you are on the ball, you may be able to prepare a selection of proposals in advance to give to the club. The club president or committee chair is the best person to give it to.

The majority of service clubs have specific committees which meet regularly to deal with funding requests. Your request may first be sent to the director of community service for discussion and then on to the directors for approval. It is important to obtain the names of key people in this process.

Use the time before and after the meal to strategically determine what kind of projects the club sponsors, the range of gifts, and the fundraising activities they are involved in. You may find that you can offer them assistance in their fundraising program. It is crucial that you express a genuine interest in their club and their individual professions.



If you fail in your request, try again. Ask when they might be able to consider another application. Learn from your experiences, and thank them for their consideration. Remember, you are in it for the long haul and your contacts with a specific group may lead to other opportunities.

### **Once You Get the Gift**

Congratulations! You have succeeded in presenting the case for your charity and have effectively infiltrated the culture of your local service club. Now for the bad news: they will not give to you again unless you provide effective feedback.

The most common complaint I hear when I visit service clubs is that a charity has not maintained contact with them, and has not provided concrete follow-up, such as photos, a video, or report about the project which the club has sponsored.

Make sure that the club is properly credited for their contribution. You might want to take the initiative and send an article and photo to the local newspaper or TV station. If this fails, send a nice letter to the editor of the local paper publicly thanking the group for their gift.

Phone the club president to say thank you. Put club members on your mailing list, invite a representative to a reception, send Christmas or Hanukkah cards. If it has been a major project, call the president and offer to present information to the club whenever convenient.

### **Establishing a Network**

One of the key objectives of visiting local service clubs is to make contact with people of influence and affluence in the community. You can meet mayors, lawyers, corporate executives, presidents of TV stations, newspaper editors, printers, and other contacts who could ultimately benefit your organization. Remember to pick up a copy of the club bulletin so that you can have the names and numbers of all the members.

I have been able to lobby members of parliament; get television and radio public service announcements aired, newspaper articles published; have received major donations from foundations, \$20,000 in free optometry equipment; and have been provided with discounted or free merchandise through networking at service clubs.

Do you need major donors, board members, door-to-door canvassers, local media time or permission to have your brochure included in the local water bill?

Start here! Exchange business cards and follow up contacts with a thank you note or a call asking for specific advice. Ask if they know anyone who could be of assistance with a specific task or problem area.

Once you have established a relationship, you can also obtain the names of contacts in other clubs, or even a copy of the local service club directory. This is often a confidential document and is difficult to obtain. Use your contact in a club to link up with other neighbouring clubs.

### **Are you willing to give, not just receive?**

As a fundraiser or volunteer coordinator, you have a great deal to offer. You may even be in a position to offer the assistance of your charity's volunteers when the local service club has its next chicken roast, television auction, or midnight madness bingo. This indicates that you are willing to give and not just receive.

Your local service club may benefit from having a fundraising expert like you to help plan their next campaign. Keep your nose in the door and your face fresh in their minds.

Patience, personal contact, and pizzazz! These are the secrets to tapping the hidden service club market.

*Tom F Balke, who wrote this article, works for InteVarsity Christian Fellowship in Halifax, NS. He is also a Rotary Club member. Published in the July/August 1991 issue of ICP's Network newsletter.*

## A List of Service Clubs and Related Groups

Service clubs support so many groups that they are almost a standard fixture of fundraising. Yet few nonprofits have a systematic process to identify and contact service clubs. Here is a partial list of clubs and related organizations, to start you thinking. Please add to this list!

Altrusa Club	Hospital Auxiliaries	Odd Fellows
Ancient Arabic Order of the Nobles of the Mystic Shrine (Shriners)	Imperial Order of Daughters of the Empire (IODE)	Optimists
Army, Navy, Air Force Club	Independent Order of Foresters	Order of the Eastern Star
Anglican Church Women	Independent Order of Odd Fellows	Pilot Club
Associated Canadian Travellers	Inner Circle	Police Associations
Beta Sigma Phi	Interact	Quota Club
Blue Knights (police motorcycle riders)	JayCees	Rebekah Lodge
B'nai Brith Canada	JayCettes	Rotaract
B'nai Brith Women	Junior League	Rotary Club
Brotherhood of Canadian Veterans	Kinette	Royal Arch Masons of Canada
Canadian Corps of Commissionaires	Kinsmen Club	Royal Canadian Legion
Canadian Girls In Training	Kiwanis International	Royal Order of the Purple
Canadian Progress Club	Knights of Columbus	Sertoma
Canadian Professional Sales Association	Knights of Pythias	Sons of Scotland Benevolent Association
Catholic Women's League	Leos	Soroptomist International
Civitan Club	Lions Club International (the world's largest service organization)	Sororities
Club Richelieu	Lioness	Toastmasters
Comradettes Service Club of the Blind	Loyal Orange Lodge	United Church Women
Corvette Club	Loyal Order of Moose	United Empire Loyalists' Association of Canada
Cosmos	Maritimers' Club	University Women's Club
Daughters of Isabella	Masonic and Military Orders	Variety Club
Elks	of Knights of the Red Cross	Veterans' Association
Fire Fighters	of Constantine	Women of the Moose
Fraternities	Mizrachi	Women's Canadian Club
Gyro Club	National Council of Jewish Women	Women's Canadian ORT
Hadassah WIZO	Navy League	Women's Clubs
Harmony Men's Group	New Fraternal Jewish Association	Women's Institute
		Y'smen
		Zonta International

## EMPLOYEE FUNDS

EMPLOYEE FUNDS CAN BE ANOTHER IMPORTANT SOURCE OF CONTRIBUTIONS These funds are separate from the corporate donations budget --- they give the employees' money, not the company's.

Frequently, they start up by collecting money to throw a party or buy a present for a co-worker who is having a baby or retiring. They go on to raise money for the United Way. They may adopt a child in the third world. Over time, employees may suggest other causes they could support. In some cases, they become formal organizations which rival service clubs. Members may remain active long after they leave the company.

Employee funds administrators are harder to find than the company donations officers. No directory exists. However, this is good news since it means they are less commonly besieged by requests.

The very best way to find contacts is to ask an employee of the company who supports your work as a board member, volunteer, donor, or 'client'.

A cold call will be less successful but is still worthwhile.

Choose the companies with the largest number of employees in your area. A list of these is usually available from the municipal government's business development office.

Call the company and ask the person who answers the phone if he or she knows the contact person for the employee charitable fund. If not, ask the secretary to the president for the right contact. Avoid the personnel office and the public relations department, unless other avenues fail.

You may also get assistance in finding contacts from the local United Way, since they work with many employee funds. If your organization receives funds from a United Way, discuss the rules before approaching a club.

Selected examples of employee funds that have proven generous:

Air Canada Employees' Fund  
Can-Car Employees' Consolidated Charities  
Canada Post Employees  
Canadian Airlines Employees' Fund  
City of Thunder Bay Civic Employees' Consolidated Charities Fund  
Employee Advisory Council of the General Hospital of Port Arthur  
GE Elfun Society  
IBM Employees' Charitable Fund  
Ontario Hydro ECT  
Our People Fund, Employees of the Bank of Montreal  
Reach Out, Canada Trust ECT  
Telephone Pioneers of America  
Thunder Bay Professional Firefighters' Association  
Thunder Bay Separate School Board Employees  
Toronto Hydro ECT

# The Telephone Pioneers of America

THE WORLD'S LARGEST INDUSTRY-RELATED VOLUNTEER ORGANIZATION is the Telephone Pioneers of America. Their membership (80,000 members in Canada, and 743,000 in the US) includes people who work for any phone company. Their motto: "Answering the Call of Those in Need".

All together, they raised nearly \$9 million in 1992 and volunteered more than 31 million hours toward providing quality services to the lonely, the disabled, and the disadvantaged.

The Pioneers have four key areas of focus, as of 1994: literacy, the environment, the hearing impaired, and drug and substance abuse. However, they take on many different projects. Activities include:

- Hosting special games for the disabled in Montreal.
- Conducting holiday food drives in Manitoba.
- Providing support for the hearing impaired in New Brunswick.
- Working with the Canadian Ministry of Forestry on projects to preserve and protect the environment, through many regional chapters.
- Coordinating a project in Edmonton to collect food, clothing and gifts at Christmas, and distributing the items to needy children and to adults in nursing homes.
- Helping some 400 junior high school students through the Acadia Chapter's "Adopt-a-School" project in Cape Breton. The program stresses the importance of using education as a foundation for the future. Pioneers provide classroom resources and mentors.
- Distributing the "Hug-a-Bear", a handmade stuffed toy, to police and emergency units. The toys are given to children involved in traumatic situations. Since the start in 1979, nearly one million Hug-a-Bears have been distributed throughout the world, including a shipment to the Middle East during the Gulf War.

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Profile of an employee fund

# The GE Elfun Society

GENERAL ELECTRIC COMPANY EMPLOYEES CAN JOIN THE GE ELFUN SOCIETY. The name stands for Elective Fund Investing. It was started about 1930 by the Management Society within the company, to invest in mutual funds. Since then, it has grown and changed.

Elfun areas of interest are:

- education
- cultural diversity
- the environment

They like to combine these where possible.

The Society rarely offers money. Instead, it will usually send volunteers. However, they can arrange financial support from GE which now ties part of their donations to Elfun work. Examples of their projects include:

- provided mentoring programs for the physically challenged
- built an ecological garden at a school for hearing impaired people
- helped Habitat for Humanity build houses
- worked at food banks
- decorated a women's shelter

To make contact, ask for the Elfun representative at any GE office in Canada or the USA.

## CORPORATE GIVING

### *Limits of giving*

CORPORATIONS DO NOT GIVE AS MUCH MONEY TO CHARITY AS PEOPLE BELIEVE Overall, corporations give only 8% of all the non-government money given to all charities in Canada. The total dollars of corporate giving has declined sharply in the early 1990s. With increasing requests and reduced budgets and staffs, many companies cannot even respond to grant applicants. Even when the response is favourable, a delay of four to six months is common.

Corporations, unlike foundations or governments, have no mandate to give. No one regulates their decisions, or tells them who they can or cannot support. In fact, a few shareholders occasionally object to the company spending their dividends on any charity, no matter how respectable.

Companies tend to be very conservative. They don't like to fund organizations that are likely to make waves, so advocacy groups have a particularly difficult time arranging support. Companies seldom want to be seen to be involved in social issues that could result in controversy, although there are notable exceptions, such as The Body Shop<sup>3</sup>.

Despite these comments, there are still good reasons to seek corporate donations, if you are not in a hurry.

First, there is a substantial sum of money available overall. Companies give about \$400 million in cash and much more in gifts in kind. The Royal Bank alone, which consistently gives more money than almost any other company in Canada, donates approximately \$10 to \$12 million to charities each year.

Corporate contributions can also provide good leverage to get other donations. The symbolic value of getting a grant from a corporation can be even more important than the actual dollars. Corporate financing can also broaden a nonprofit group's base of support, and reduce its dependence on a single precarious source of income.

Corporations also have access to other resources, beyond dollars, which can be valuable to a nonprofit group. If you have a funding relationship with a corporation, you are more likely to get non-cash contributions. They are also a good source of volunteers.

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<sup>3</sup> The Body Shop Charitable Foundation donates money to effect progressive social change. The primary source of funds for the Foundation are proceeds from the sale of Body Shop T-shirts in our stores. Every year grants will be given in four key areas: environmental issues, programs for youth, women's issues and human rights, with an emphasis on the rights of Canada's indigenous people. For more information send a letter (HINT: put it on recyclable paper) requesting their brochure to The Body Shop, 33 Kern Road, Don Mills, Ontario M3B 1S9.

### *Businesses expect business-like behaviour*

Corporations tend to be very results-oriented, while charities are more process-oriented, according to Julie White, the former corporate donations officer for Levi Strauss & Co (Canada) Inc. Charities are interested in how it is that you do what you do. The corporations want to know what it is that has been accomplished and what their grant will do. A lot of corporations think that nonprofits are run by a lot of 'touchy-feely' types. You need to dispel that by being quite clear.

Although the tips below may seem obvious, corporate donation officers report that they are violated regularly.

Quantifiable results are preferred. Provide specific statements about what is a realistic outcome. Many corporations look at each proposal with an eye to opportunity cost. That means, "If we fund this, what are we not able to fund?" Proposed results are compared to decide which application will be more effective in dealing with the issue.

Avoid using jargon. Even if it's meaningful in your field, it may not be easily understood in a company's board room. Jargon is seen as a smoke screen clouding issues.

Don't assume that connections between social problems and your project are always obvious. For example, one day care centre asked for corporate support, tersely explaining that this would reduce the number of people from the community who went to prison. The potential connection was not explained step-by-step, and while it may have been obvious to the people who wrote the proposal, it was not to the corporate readers.

Have someone outside your field of interest read your application, looking for any confusing points, before you submit it.

Be on time for meetings with corporate people. Corporate donations officers have complained about representatives from nonprofit groups arriving for meetings up to an hour late. If you promise a report by a deadline, get it in. At the very least, if you are going to be late, contact the people in advance and let them know.

Respond quickly to requests for information. Companies understand that speedy reactions can be difficult for charities, especially small groups that do not have professional fundraising staff. However, when Levi Strauss & Co (Canada) Inc has gone to nonprofit groups in a pro-active way and offered funding they have been forced to wait for as long as eight months before the group responded.

Dress in businesslike clothing for meetings. Err on the side of conservative spit and polish. The first impression is important.

Documentation must look professional. Written material must be neat and to the point. Typos, especially in the name of the corporation or one of its executives, will eliminate even the best proposal. All numbers must add up. Send tax receipts promptly, with a proper thank-you letter. One organization, Levi Strauss & Co (Canada), waited three years to get their receipt.



Telling a company that you have purchased their product (or will if they give) generally does not help. A giant like IBM is likely to be unimpressed that you recently purchased one of their computers. Levi Strauss & Co (Canada) regularly hears from groups helping teenagers, who assume that gifts are part of marketing. These connections don't usually help increase the contributions, unless you are specifically discussing market-based sponsorship, or the company is making donations out of its public relations budget.

Telling companies which other corporations, foundations and other funders support you does help, unless you approach competitors. Corporations don't like to be the sole funder of a project, as a rule. They do, however, want to be the only ones in their industry most of the time, especially if they are taking a high-profile position or making a larger donation. Banks are an exception to this, and several may support the same group. Before approaching the competitors of a corporation that provides you with major support, ask your primary donor if they have any objections. This is true when you have been given sums in the \$10,000 range (and not for \$500) or when the sponsor's name goes on a poster or is otherwise publicly linked to a project.

Companies do like to see their donation provide leverage. If their gift will increase as a result of matching grants from another donor, let the company know.

Institutional donors really like imaginative and innovative projects that show new ways of doing things. It is amazing how many truly boring projects are submitted to corporations and foundations.

Including your group's annual report is essential in an application. It doesn't have to be flashy, but it should have a clear financial statement. Corporations do go through these line by line by line. If any figures are unusual, clarify them; don't hope the donor won't notice. Corporations may see a surplus as a reason not to give. If you have a surplus, explain if it is earmarked for a specific purpose or how it will be used. Anticipate their questions and answer them.

For a new organization, a good budget and financial plan will substitute for an annual report. Show where you expect to get support. If a funder will provide temporary support during your start up period, either as a donor or as an umbrella, this is an advantage.

Core funding can be obtained from corporations during the early stages of a nonprofit organization. It is very difficult for an established organization to get. The main reason is that corporations don't like to create dependency. They want to know that if they give you a grant for a while and then pull out, you will survive. Because corporate giving is based on a percentage of profits, donation officers do worry about what will happen if they continue to have declining funds.

Emergency funding is difficult for corporations to provide, unless you already have a good relationship with a company. It is usually a slow, cumbersome process to get money from a company. Don't expect much emergency help if you haven't cultivated an established relationship. Levi Strauss & Co (Canada), for example, has supported a number of shelters for battered women. When one of these had its windows blown out by an irate husband, Levi Strauss & Co (Canada) replaced the windows immediately.

Deficit funding is very, very difficult to get from corporations. A deficit is seen (often correctly) as a sign of bad management. Concentrate on getting funds for new projects, not to pay over-due bills. If you have a serious deficit, explain why, and state your plans to correct the problems that caused it. (Hint: It is not sufficient to say "We'll do more fundraising in future.")

Endowments are not popular with corporations, either. They prefer to give funds for immediate use on projects, rather than have you invest it and live off the proceeds. They like to think that corporations are better at investing money for maximum return than nonprofits. If you invest in the corporation that gave you the money, they would just as soon give you the returns. If you don't invest in their company, they are upset to think they are providing another company with capital. Gifts to an endowment for a specific purpose, such as on-going research, are occasionally approved but donations simply for re-investing are rare.

Income-producing businesses run by nonprofits have been funded by corporations. They provided core funding in the start-up phase because they like this approach to self-sufficiency.

You must spend the money on what it is given for. Situations beyond anyone's control *can* change, and in such circumstances the donations officer will usually respond positively to a well documented request that the funds be reallocated for new purposes.

In at least one case, however, a financially troubled organization used a corporate grant earmarked for a project to pay the executive director's salary. Then the group collapsed. During a normal follow-up, the company, surprised to learn the group had gone out of existence, contacted members of the now-defunct board of directors. The board was surprised in turn, to learn that they had received a grant from that company. They were even more shocked to discover that they were legally responsible for how it was spent. The corporate donor seriously considered legal action against the board for repayment of the misused funds.

Board members do have a legal responsibility, as well as an ethical one, for how the funds are spent.

Thank-you letters mean a lot. People give grants, not companies. In Levi Strauss & Co (Canada), for example, 80% of the grants are approved by employee committees, which include sewing machine operators who work very hard to raise a portion of the gift to accompany the corporate grant.

Send follow-up reports on your progress. It is an excellent way to keep the company in touch with what you are doing. Even years after the grant has been spent, a note indicating your latest achievements can mean a lot to the donors. It may be posted on an employee bulletin board, summarized in the company newsletter or circulated to the board of directors. It reaffirms what the priorities are, and demonstrates how helpful the money can be.

Donations come out of profits. Employees and managers may ask why the money isn't going to salaries, and shareholders may ask why it isn't going to dividends. Company donations officers need to sell the program of community giving to employees and investors. Information on results helps them defend the program.

### *How to decide who to approach*

Knowing who your prospects are is important. Choose carefully.

Do not send a form letter to hundreds of companies. This seldom brings in enough money to pay for the postage. Many nonprofit groups complain that the companies do not even respond with letters of rejection. Use a rifle, not a shotgun; that is, hit a few well, not scattering your efforts more widely with less effect.

Here is how to choose wisely, in priority order:

- 1) *Who do you know?* Contacts are valuable in getting grants. You may be surprised at how many contacts you discover you really do have (even if you think you have none) after you do the exercise that follows in a few pages.

Find corporate insiders who have personal reasons to care deeply about your work, and use these allies. Many companies automatically short-list requests if one of their employees is a volunteer with the group.

Many donations are made because of who asked, not what the group does. It's hard to say no to a major customer or supplier. Warm up to power brokers.

- 2) *Who gives?* Which companies give the most to nonprofits? The list below will show you how to choose.
- 3) *Who will be interested in your projects?* Even a generous giver may not be interested in what you do. On the other hand, a company that gives very little to the community in general, may get excited about your work. Research, based on the techniques below, will help.

### **Before you send applications --- research!**

*Who gives?* It is no longer necessary to guess who might support you. Years of research have narrowed the list of potential donors down to a few hundred corporations which give most of the money. While others do give, these are the ones most likely to provide a large contribution.

*IMAGINE's Caring Companies:* The IMAGINE campaign lists 400 Caring Companies as of late 1993 that have pledged to give away 1% of pre-tax profits. These 400 Companies gave \$192 million C 40% of all corporate gifts.<sup>4</sup>

The reason most groups should begin with these corporations was revealed in a study by the Institute of Donations and Public Affairs Research (IDPAR). Caring Companies that provided donation figures for the IDPAR study had an average donation amount of \$976,000, while those that did not support IMAGINE gave an average of \$79,000. The average donation was \$400,000 for all of the 249 companies that reported how much they gave. Combined, they gave \$99.7 million.

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<sup>4</sup> Contact IMAGINE at Suite 200, 1329 Bay Street, Toronto, Ontario M5R 2C4 Tel: (416) 515-0764. The list of the 400 Caring Companies does not include addresses or contact people. It is free.

The companies that participated in the study and supported IMAGINE reported giving a total of \$89.5 million. The corporate donations reported in this study represent approximately one quarter of the Canadian total.

Almost half of these companies are giving more despite the recession. Many companies increased their donations despite the recession between 1989 and 1991. Forty-five percent of the companies responding to the 1992 IDPAR study (the most recent year for which data is available) increased their giving budgets, even though only 23% had an increase in profits and 65% said that their company profits had fallen. In fact, only 28% lowered the total dollar amount of their donations. Even more impressive, almost 54% increased the percentage of their pre-tax profits given to charity.

*How much might a company give away all together? A good guideline for corporate giving is 1% of pre-tax profits, usually averaged over a three-year period. Over 57% of the 1992 IDPAR companies considered that to be "just right". Another 7% thought it was too low! About 19% consider that target somewhat too high. Only 4% considered it much too high.*

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*Seven industries which accounted for 70% of all corporate contributions:*

Industry	1992 Giving
Banking	\$35.8 million
Petroleum Products	14.1 million
Beverage and tobacco	10.3 million
Communication	8.8 million
Insurance	6.3 million
Primary metals	5.8 million
Transportation	5.6 million

*Source: IDPAR*

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*Contributions as a percentage of average 3-year pre-tax income*

Credit unions	3.12
Food	2.95
Computers/office equipment	1.48
Trust Companies	1.45
Mining	1.33
Real estate, holding, investment	1.15
Beverage and tobacco	1.12
Oil and gas	1.11
Machinery, transport, auto manufacturing	1.05
Banking	0.93
Printing/publishing	0.82
Insurance	0.73
Wholesale and retail	0.66
Other financial	0.57
Communication	0.55
Utilities	0.3
Mineral resources	0.07
<b>All companies</b>	<b>0.81</b>

*Source: IDP*

*Crown corporations, Quebec businesses, private companies and manufacturing concerns*

“Crown corporations were strong proponents of corporate largesse”, according to an Angus Reid Group poll. “Quebec businesses (96%)<sup>5</sup>, private companies (97%) and those involved in manufacturing (84%) were the most committed corporate benefactors while the majority of spokespersons from government-operated enterprises (61%) said their organizations are not charitable donors.”

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<sup>5</sup> In Quebec, CEO affirmation of the importance of corporate charitable donations was higher than in other parts of the country at 60%, according to the Angus Reid Group poll.

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# The Corporate Giving Record

Corporate Canada consists of 600,000 incorporated enterprises. The vast majority, 87%, have assets of less than \$1 million, and average profits of about \$20,000.

They contribute 24% of corporate contributions; about \$97.4 million. Most are owned by sole proprietors and include everything from the corner store to an incorporated professional working from home.

At the other end of the scale are the big companies, about 13% of all businesses. They contributed 76% of all corporate charitable donations, or approximately \$308 million in 1990.

Corporate cash contributions account for slightly more than 20% (\$405 million) of all non-religious giving by Canadians. The remainder (80%) comes from individual contributors and foundations.

C Martin PConnell  
Chairman, IMAGINE  
Toronto Star, 7 Mar 1992

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## *What causes does business support?*

"What causes should a company support to qualify as a good corporate citizen? The most important targets are education and medical research", according to a survey of 762 Canadians undertaken by Goldfarb Consultants and reported in the *Globe and Mail* on November 9, 1993.

"Companies get more respect for donating computers to the local high schools, for example, than money to the arts. There are regional differences: Albertans rate arts donations lower and Quebeckers higher than people in other provinces. Charitable donations are more highly valued in Manitoba and Saskatchewan and the Atlantic provinces. But education gets a good rating everywhere."

### *Rating on a scale of 100:*

Education	72
Medical Research	70
Charities	57
Amateur Sports	48
Arts or culture organizations	44

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### *Major beneficiaries of corporate donors, 1991*

Education	26.9%
Welfare	20.2%
Health	19.5%
Arts and Culture	13.4%
Civic Causes	8.4%
Environment	2.8%
Sports	1.9%
Other causes	1.9%
Unclassified	3.7%
Sponsorships	1.3%

*Source: IDPAR*

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### *Choose your allies carefully*

Fundraising, like politics, can make for strange bedfellows. It is easy to have your credibility damaged by accepting support from the wrong partners. It is also easy to develop a puritanical list of restrictions that prevent any effective fundraising from the companies that donate money. Even advocacy groups that battle companies on certain issues may find common cause with them in other concerns. A careful, balanced approach is needed.

### *Start locally*

Companies that are based in your community, big or small, are among your best prospects. They may feel an extra interest in projects that will help employees and local customers, and improve their image in the operating environment.

Concentrate on those that have active operations, such as offices or factories. It is not generally relevant that they sell products in your area --- just like every other town, but if your community is an area of significant profit (or loss), this may help focus special attention.

McCain Foods Limited, for example, is a leading employers in New Brunswick. Their contributions are often long-term investments directed to local hospitals and health and social services in the communities where their employees live.

Local branches can give small to medium-size donations without consulting head office. They often have simpler procedures, too.

A local leader's endorsement may also carry weight at the highest levels when applying for larger grants.

### *Do their employees use your services?*

A company is much more likely to help if their employees are among your residents/clients/patients/audience.

Social service and health groups must protect confidentiality, of course. This is less of an issue for an arts, sports or education organization.

It can be easy to find out where your clients work if you have a facility that people pass through, such an art gallery, performance space, fitness area, classroom, or such. Ask people to drop their business cards in a bowl or box to win a prize (donated of course).

If that is not possible, a survey may work. Write or phone clients and supporters to explain that corporate connections can be helpful. Ask them to tell you where they or their family members work.

Which companies are more likely to give to groups concerned with disability issues? Companies in the health business, such as pharmaceuticals are generous to groups that they see as allies in the battle to improve access to high tech health care. Of course, some groups are not willing to accept support from the drug companies whom they see as the enemy.

Insurance companies like preventive health programs, since healthy people are less likely to need insurance premiums paid out. They will like public education programs, especially ones on preventing injuries. They will also like rehabilitation and research projects (and those who advocate more and better ones) that reduce the time people are disabled. Finally, they may support independent living projects that increase self-reliance and reduce dependence on long-term insurance payouts.

Companies that manufacture products that people consider health hazards (such as alcohol and tobacco) are also interested in health projects. They look for organizations that will reduce the actual ill-effects of their products, or study the connections. They also look for projects that associate their companies with the image of healthy, sophisticated or fun people. These include sports and the arts. Again, ethical differences must be considered before applying for a grant.

Projects that improve the health of employees are also highly favoured, especially by companies with large labour forces. Companies with sedentary employees have funded fitness, and anti-alcohol and drug-abuse programs, (both treatment and education). Companies with employees in dangerous jobs fund accident prevention programs, provided these are not seen as anti-business.

### *What to Research and How To Get The Inside Story*

Contact the companies you have selected and get the facts about them before you submit an application.

This kind of research is essential, because companies are increasingly complaining that many of the grant requests they get are inappropriate and waste everyone's time.

"All of the 600-plus donation requests we receive are reviewed, and all are welcome, but two thirds don't fit our guidelines", says Mr JD (Jim) Rennie of Gulf Canada Resources Limited. Their corporate donations booklet spells out their priorities quite clearly. In their case, request for under \$1,000 from communities outside Calgary are



handled directly by field offices. Their annual report shows that "in 1992 Gulf invested \$600,000 in Canadian communities; approximately 45% to health and welfare, almost 20% to education, and the balance to civic, cultural, environmental and other causes. Internationally, for example, community support is provided in Russia through a social development fund that is financed by the KomiArcticOil joint venture."

At Nestlé Canada Inc, corporate affairs specialist Wendy Parke reports getting 3,000 applications a year, but notes that there is "incredible duplication from different levels of the same organizations, *ie*, district, national, regional and other."

A large portion of grant requests are also rejected at Gendis Inc, in Winnipeg, which distributes Sony products nationally. Mr G Allan MacKenzie, the President and Chief Operating Officer says "they represent schemes, dreams and just plain nonsense." However Gendis does fund 70% of the applications they receive.

The story is the same for applications received by Canadian Pacific Charitable Foundation. Of the one thousand applications they get each year "many are very poor quality", according to Hollie L Zuorro, donations officer. "They don't state their name, address, charitable number, purpose, goals and objectives, accomplishments or reason for fundraising. They do not define their clients or service area. And they do not explain their local, regional or national affiliations."

What advice would Canadian Pacific give grassroots groups to help them get funding? "Have a realistic view of the community needs and discuss this openly in the request. We are getting too much duplication of service. Form alliances and partnerships with like groups."

How do you get the information you need? The best thing to do is call. If you can't phone, inquire by letter. Here are specific questions to ask:

### *Who is the contact?*

Don't assume that it is the President (though it might be). If there is a program that is staff-run, the decisions do get delegated and it is very unlikely that you will get funding without the support of staff, unless there are unusual circumstances.

Don't assume that it is the Public Relations Department (though it might be). They are skilled at saying 'no' politely, but may not know the avenues that lead to 'yes'.

Don't assume that it is the Marketing or Advertising Department (though it might be). Frequently they will evaluate a request only in terms of the return to the company, and compare your proposal to an equal amount of money spent on magazine ads.

Ask the switchboard operator or receptionist to tell you who handles the company's donations. If s/he doesn't know, ask to speak to the president's secretary. Be prepared to have your call transferred before you expect it and suddenly find yourself talking to the donations officer.

### *Who handles corporate donations?*

Very small staffs, between one and three people typically, administer corporate donations, according to a study done by the University of Toronto Career Centre in 1990. At Imperial Oil, for example, one of the largest corporate donors, three people in the Toronto office looked after about half of the donations. However, they do it half time, while spending the other 50% of their days on public affairs.

The Imperial Oil Charitable Foundation gets more than 10,000 requests for funding each year. That works out to about one every 10 minutes of every working day. They fund about 800, distributing about \$5.2 million in 1993. This is about half of the \$10.5 million they donated across Canada in 1990.

Where companies used to reserve this function for senior executives about to retire, they now focus on younger, female candidates. Companies tend to promote from within to these positions and there is usually very slow turnover.

Generally speaking, staff with this responsibility are employed in Human Resources, Public Relations or Public Affairs departments. The actual administration of funds is a very small part of what they do.

### *What is the correct name of the company?*

Check the spelling. Ask if it ends in 'Ltd' or 'Inc.' Do they add 'of Canada' or another formulation? Is there a hyphen, or an apostrophe or another peculiarity?

How do key people spell their names? What are their proper titles? One executive reports volumes of mail are sent to his predecessor, who died seven years ago. Assume that all information found in a book or directory (including this one) may be out-of-date by the time you see it.

Telephone to check this again at the last minute, just before mailing, because there are frequent changes, even in corporate names. Find this information from a secretary, not an executive who may feel you are wasting valuable time.

### *Do they have guidelines or an application form?*

The largest donors will send you a booklet or brochure with extensive information on what they do and do not support and how to apply. The Royal Bank, for example, publishes a multi-page book listing every nonprofit group that received more than \$500 from them. Useful material is available from Shell, Imperial Oil, Gulf Canada Resources, the John Labatt Foundation and many others.

Many companies use internal guidelines but do not like to hand them out. They fear that nonprofits will try to gear the application to fit, making it hard to eliminate inappropriate applications. A few will give guidelines on the phone or in person, but not in written material.

*What is their special interest area or focus?*

Most companies do have them. If they are only interested in the arts, and you don't have an arts project, you may as well forget it unless you have another strong advantage.

Canada Post Corporation, for example, recognizes the value of literacy to individuals and society. Over 50% of their donation budget goes to literacy.

Levi Strauss & Co (Canada) are very interested in employment-related issues on quality of life.

Some companies may only fund projects; others only give to capital campaigns; still others make only non-recurring gifts. Banks often give a percentage of your budget. Some companies may prefer only national projects; others only local.

What is the average grant size? If you're going for \$500 and their average grant is \$8,000, you're wasting a golden opportunity. There is also no point in asking for far more than they usually give. Mention the amount you hope they will give. It is tempting to omit this for fear of making a mistake. However, naming an amount is better.

What is the range of gift size? If the average grant is \$8,000, they might give anywhere from \$500 to \$50,000. When do they give large grants?

What is the preferred method of approach? Will they allow you to make a personal presentation or do they accept only written applications? Are there particular pieces of information they want?

What timing is required? Do they give almost all their funds at the beginning of the fiscal year (usually April or May) and need your application in March? Or do they need applications in January, in order to process them on time? Others divide the budget in four, and give each quarter. A few give year round on an on-going basis.

If in doubt, apply in fall or early winter. Businesses that budget their donations often commit their money months before the fiscal year begins. Ask early. Better yet, ask a full year ahead.

Is non-financial assistance available, even if you don't qualify for cash grants? This might include products, surplus equipment or materials, loaned employees, printing or other aid.

Does the company encourage employees to volunteer? Over half the companies responding to the 1992 IDPAR study have specific policies in place.

Royal Insurance, for example, invited its staff to a demonstration by the downtown Toronto Meals-on-Wheels organization. Approximately 80 of the staff volunteered to deliver the Meals-on-Wheels during their lunch hour, and the company continually encourages this type of volunteer activity.

The John Labatt Foundation went a step further with its People in Action Program, which helps charities hire students for summer projects that "benefit Canada's disadvantaged and the environment". In the summer of 1992, the program created 140 jobs with organizations like the Canadian Association for Community Living, Ducks Unlimited, the Canadian Mental Health Association, Pollution Probe and the Canadian National Institute for the Blind, to name a few. Foundation funding for People in Action is matched by the Government of Canada."

Will they give a list of grantees, even a partial one? Most do not, but might name one or two recipients. You can also get this information indirectly, by asking other nonprofits to tell you who they have received contributions from; by watching the media; even by reading charities' annual reports, concert programs and plaques on the walls of nonprofit buildings. If you know who the company has given money to, you can talk to grantees and find out about any idiosyncrasies and special approaches.

You may be surprised at how willingly fundraisers from other groups share information. Exchanging the names of donors from whom you have received support might seem scary: what if another group submits a better grant application and you're cut out? In fact, co-operation between like-minded groups is the best way for all to come out stronger. You may occasionally lose, but you will probably gain more often.

Do they have separate corporate and employee contributions programs? Often there is one funded by the corporate profits, and another supported by the employees' own contributions. Both may give to you. Additional support may also come from unions and individuals.

### Companies that don't have formal grant systems

Even if the company does not have a specific grants program, don't give up. You still may be able to get a contribution. Here are indicators to look for:

- Does the company have an affirmative action program, or special programs to hire the disabled, or promote employment equity?
- Have they sponsored events in the community that relate to your issues?
- Have they received awards for being a responsible company?

### Charities and business have different views of what motivates giving

Nonprofit groups often have a jaundiced view of business givers. Grassroots organizations can be suspicious of companies, even hostile. One study of arts groups provides interesting data on this phenomenon. Arts groups may not be typical of all nonprofits, but their attitude probably is.

"Arts groups believe businesses support the arts largely to benefit their own companies, though most business executives say this is not so—they support the arts mainly to benefit society." These conflicting views were revealed in a study by the Council for Business and the Arts in Canada by the Angus Reid Group Inc, September 1992.

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### *Arts Organizations' Perceptions of Business Reasons for Supporting the Arts*

Benefit to company	92%
Benefit to society	64%
Ongoing relationship	48%
Wider exposure of arts	48%
Developing contacts	44%
Board/CEO relationship	36%
Educating business and arts	16%

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## Companies' Reasons for Supporting the Arts

	Donations Officer	Marketing Manager
Benefit to society	85%	65%
Wider exposure of arts	69%	59%
Ongoing relationship	51%	65%
Benefit to company	48%	48%
Educating business and arts	42%	43%
Developing contacts	36%	19%
Board/CEO relationship	33%	38%

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The true nature of many companies' attitudes to nonprofit giving is perhaps summed up in this extract from an interview with a key executive at Xerox:

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## Corporate gifts to charity make cents, executives say

Corporate philanthropy doesn't just make you feel good, it's good business, Harry Cogill, director of public affairs for Xerox Canada Ltd, said businesses should establish themselves as good corporate citizens to avoid possible negative reaction from interested parties.

"Successful businesses today know that they don't report just to shareholders", Cogill said. "They realize that they're accountable to a range of stakeholders-- including employees, suppliers, customers and the public at large."

But Cogill said firms that establish a good reputation also reap tangible financial rewards.

"In the short term, you earn the respect and loyalty of the community- many of whom are customers or potential customers." Cogill said. "And when you consider today, more than ever before, people base their business decisions on ethical concerns, your identity as a caring, involved, moral entity is no small advantage."

--- Bob Papoe  
The Toronto Star, 23 May 1991

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### Who Knows Whom: Discovering Your Contacts

Do you have any personal links to the company? Trying to use influence to get a grant is not always essential, and can even backfire. More often it helps. If no official grant program exists, it may become essential to know people at the top.

Remember, people give to people. Companies don't give money, people in the company do. You may have to mine your contacts.

Many groups assume that they have no contacts in the major leagues, and give up too soon. Don't underestimate the importance of 'minor league' contacts. Don't be surprised if people in your group have contacts (perhaps a little distant) that you never suspected.

Feeling unconnected is especially common among people in small communities far from the corporate headquarters, and in groups of disabled or institutionalized people, and self-help organizations. They are too often cut off from circles of power by societal barriers.

Years of experience have shown that most groups do have (or can develop) wider networks than they at first believe. A technique has been developed and used many times to help people discover connections people have forgotten they had. Careful probing among the board, membership, friends and family may reveal surprising webs of contacts.

This process works best if each individual is asked privately at first, since people may not want to reveal connections publicly. Afterwards, a group brainstorming session may help people think of forgotten links.

Reassure everyone that they need not necessarily make the approach personally (although that might be better). Their name need not even be mentioned to the prospective donor, if they prefer.

Ask if they have any contacts in specific companies you name, no matter how remote, or how high or low on the corporate ladder.

It is best to focus attention on a few areas by asking your team who they know in a specific category, such as banking (almost everyone has a bank account), petroleum products (most Canadians own cars), lawyers, teachers, the fast food industry, etc. Jog minds by asking people to think back through places they have met people: in school; at conferences or on vacation; other parents in the same day-care centre, and so on. Don't forget relatives and neighbours.

For more information on running a Webbing Session, see the resource directory for details. Ask for a free copy of *Face to Face* from the Voluntary Action Program.

Are any of the company's employees involved as volunteers with your group? Do you serve any as clients? Companies are more likely to support organizations in which employees have shown interest. Many companies have specific policies that they will provide support on this basis. To name just a few, this includes:

- Amoco Canada Petroleum Company Ltd
- Canadian Oxygen Ltd
- Canadian Pacific Ltd
- Gulf Canada Resources Limited
- Hewlett-Packard (Canada) Ltd
- National Bank of Canada
- Nestlé Canada Inc
- Suncor Inc

Like many companies, The Investors Group Inc, based in Winnipeg, has a matching gift program. In their case, it is open to "all full-time and permanent part-time employees, sales representative and retirees, The Corporation will match gifts made by employees and directors on a dollar-for-dollar basis up to a maximum of \$500 per year per employee/director. The minimum amount applicable, \$50Y Where an employee's involvement in the organization in question is in a leadership role, the Corporation may consider increasing the maximum amount to \$1,000." They will also provide grants of up to \$2,000 to any organization where the employee or a member of their immediate family has volunteered for at least six months. If three or more employees volunteer with the group, the amount of the grant can increase to \$3,500.

Health and social service agencies must be careful not to violate any rules of confidentiality by revealing to the company the names of their employees who the group helped --- but it is acceptable to say that you have done so in a general way.

Does anyone in a company have personal reasons to be concerned with your issues? These facts may not be widely known, but may reveal potential supporters.

A member of the Eaton family, for example, had a hearing loss, and as a result John Craig Eaton has been an active volunteer and chair of the board of the Canadian Hearing Society.

The Four Seasons Hotel chain has a well established giving program. But in addition, the founding president of Four Seasons, Issy Sharp, lost a son to cancer, and has made many personal donations to organizations fighting cancer (see *Toronto Life*, May 1986, p 25, for an interesting profile).

Do you have contacts with any of a company's major suppliers or customers? They might exercise influence on your behalf. This can be particularly effective if the company does not have a well organized giving policy. A senior executive at a world-famous company once pointed out that, since McDonald's was his company's largest customer, he made donations to any charity promoted by McDonald's management before he considered other applications.

If you currently have supporters in the private sector (whether business, foundation or prominent individual), ask if they will take an active role in helping you find more donations. They may well have contacts with other funders. They may share information with you, or actually make calls on your behalf.

People willing to take on this role will be most helpful if they act as a `broker' for you. Sending a request on their letterhead is good. It is better still if they will phone or visit their contact.

If after all this you still feel totally without existing workable contacts, you may still be able to develop connections. Call on people sympathetic to your cause who might make connections for you, such as a journalist, a local politician, a doctor or a lawyer. Also contact faculty at the local college, and fundraisers (staff or volunteers) for a local charity or service club. Call and ask for an opportunity to explain your case, and ask for their help in brainstorming potential supporters.

### *Could outsiders take over the power in your group?*

Consumer-controlled self-help groups are often cautious about giving outside supporters too much power. You must develop a careful balance between self-reliance and appropriate affiliation with people who can wield influence on your behalf.

You can have the best of both worlds. One effective technique is establishing a special task force such as an Honourary Board, a Committee of Friends or even a legally separate foundation.

This allows people to assist in fundraising and other important tasks. The actual power to control the organization can remain completely separate. The special group reports to the board of directors and is responsible to them.

Will this take too long? It may take several years to fully build an effective Honourary Board that includes the people you want most. Each year, new appointees can introduce you into more influential circles, climbing the ladder one rung at a time. In the interim, it can still be a very effective tool.

The social problems faced by grassroots groups and disabled persons today are likely to remain an issue into the distant future. Current members, staff and boards may all move on to other concerns while the organization survives to serve new generations. Beginning now to develop circles of contacts will have an immediate impact on income. At the same time, you will build the foundations for the future.

### **Making the approach**

#### *Know your mission*

Summarize your mission in two sentences. If you can't, spend a day with your board trying to refine it. You may need outside help on this, whether a professional fundraiser who has helped others develop mission statements, a talented writer, or just a good facilitator who can listen with fresh attention and provide feedback.

A mission is not how you do what you do, but why. What is your purpose? What will the outcome be?

A corporation evaluating a proposal looks at three things:

- 1) What is the organization trying to do?
- 2) How is the organization structured? Who is on the board, or acting as an advisor?
- 3) What is the specific request?

#### *The introductory letter*

An introductory letter should be on the top of any proposal. It should be clear and concise in one page. This is difficult, but important. A good business writing course may help you pare out the non-essentials.

Summarize your key points here and make it exciting. Busy grants officers seldom have time to read the whole application before deciding to reject it or keep it for further consideration.



In one page, the letter should show:

- purpose
- need
- successes
- results expected from the project
- what you are requesting
- how you will follow up

It is a little like writing a poem. You get the important things said, indicate that there is more to say, and make people eager to read more.

Jim Rennie of Gulf Canada Resources Limited put it this way: "Donation requests don't need to be glossy packages, but they do need to be complete and professional. Any size group can put together a good request --- cover letter, info on group, why money is requested, others sources of funding, financial statements or budgets, etc. This material is essential if a group wants to be seriously considered for funding."

There has been a trend lately to using one individual's personal story as an example to get attention and sympathy. That has been so overworked in corporate fundraising that it often turns off donation officers (although it still works well in mass market appeals like direct mail).

An example of a particularly awful request letter appears on the next page. The name and home town of the organization have been obliterated to protect the guilty. The marginal comments show the reaction of the corporate donation officer who received it. Needless to say, their application was turned down.

## WORST CORPORATE LETTER AWARD

(Actual example from a corporate donation officer's file)

October, 1985

Public Relations/Charitable Donations Committee

Dear Sir/Madam:

Re: Foundation Donation



This letter is being sent to you because you get money out of XXXXXXXX. We are now asking you to give some back.

The XXXXXXXX (a registered charity – all donations are fully tax deductible) was set up about a year ago to raise money, invest it, and pay the income to the XXXXXXXX Public Library. The Library presently gets most of its money from Provincial and Municipal grants, which are inadequate for the Library's expansion and development.

Local support of the Foundation has been good – over \$5,000 since our Inaugural Meeting in March 1985. However, since our goal is \$670,000 in ten years, we know we must broaden our support-base by calling on the Corporate community. Our contacts include not only suppliers such as yourself, but also Corporations such as Bell Canada, which do business with our community every day.

We intend to publish the names of all Corporate donors (unless, of course, you wish to remain anonymous).

Our apologies for the "form-letter" nature of this communication. We are trying to keep our costs down. Except for postage and paper, all other expenses (office space, office equipment, secretarial time, etc.) have been donated. We will happily provide you with more information if you wish.

Please repay to XXXXXXXX some of the money which you have received. It is a worthwhile cause, and will be much appreciated.

Yours Truly,

REFUSE

XXXXXXXXXX XXXXXXXXX

Trustee

### *The Meeting*

Try to arrange a meeting with the donations officer to present your proposal. This is not always possible, of course, either because it is too far for you to travel, or because the donations officer doesn't see anyone.

If you can arrange a meeting, make sure a board member of your organization is there, and takes a lead role. A staff member alone, even an executive director, is not sufficient. A few donation officers refuse to give to organizations that don't bring a board member, because they believe the board should take an active interest in fundraising. If a board member can't be mobilized for 15 minutes to meet a potential funder, they believe the organization is in deep trouble.

Bring an information package that provides further details about your project and the organization. This can be left behind if the donations officer wants to give your proposal more serious consideration.

Try to sell your specific request, not the concept of giving money away in general. Don't spend all your time talking; listen actively, too. Discuss the project with the donations officer. Ask for feedback and suggestions. If the donor becomes involved, you are more likely to get a larger gift.

Make specific plans to follow up on your visit. Don't just say "We hope to hear from you." Say: "We'll call you the week of such and such, if that fits with your schedule."

### *The Proposal*

What goes into a good written proposal?

A clear *problem statement*. What is the societal problem this grant will help solve? Provide statistics and human interest stories that document the value of your project. Provide a needs assessment. Quantify, justify and prove.

A *workable solution*. Show that you can fix the problem.

- What are your objectives?
- What population group will benefit?
- What methods will you use?
- Will the project have impact beyond the immediate results? If the method you are testing is of interest to groups in other areas, it increases the importance.
- How will the outcome be measured and evaluated? Evaluation procedures are increasingly important to potential funders.

Proof that you have *an able team*. Show that you have the right people to implement this expensive undertaking.

- What are the qualifications of the team members? List relevant degrees, jobs and life experience.  
Will the reputation of the board members impress the donor? Give their names and short biographical notes.
- Do you have endorsements? These should come from the people you are helping, first and foremost. Professionals with impressive credentials who can attest to the value of your work are next. Support from other organizations that refer people to you are good. Endorsement by a respected business leader, especially one who has given your group money, helps a lot. Letters from politicians are probably the least useful; they seem to send them to anybody. Extract the best quotes onto a single page instead of copying a stack of separate letters.
- Press clippings on your group, or on the issue are also useful in an info kit. They give a certain third-party credibility.

#### *An affordable budget.*

- How much is required overall?
- How much do you expect this funder to give?
- What exactly will this donation do?
- What is your overall financial situation, including revenue sources and expenses. Include an audited statement.
- Who else are you approaching for donations?
- Is this a one-time request, or will you require additional funding in future?
- How will the project be funded in future?

*A connection to the funder.* Show that you understand this funder's unique interests.

#### Rejection letters

Follow up on rejection. When companies reply, "Our funds are committed for this year", they are often open to an application next year. Check it out and follow up.

Most companies are so flooded with requests they do not respond at all to those whom they will not help. Many have a policy of automatically discarding (without reply) any form letters that are addressed "Dear Friend".

If the company writes back to tell you that available funds are allocated for this year, please check back with them. Ask when to re-apply. Their letter may be a polite way of saying 'no'. It might also be a genuine expression of regret that the funds are committed. If the latter is the case, it would be a shame not to re-apply at the right time.

If you receive a rejection that is worded in a friendly manner, you may wish to contact the donations officer and ask for any suggestions he or she might be able to offer. Ask if there is a better way to approach that company. Ask if there are other companies that might be more appropriate.

Drop a short note to any company that has rejected you, thanking them for the time it took to consider your proposal. In the future you may want to re-apply. Begin cultivating a good relationship with them early.

Keep a record of all those who turn you down and those who give. Note what you asked for and how you asked. Careful analysis may reveal patterns that can help you improve your batting average.

### **Sponsorships and cause-related marketing**

Sponsorships are hotly debated in both the corporate sector and the nonprofit sector.

'Sponsorship' has a precise meaning: it is a commercial relationship in which both the company and the nonprofit benefit. McDonald's, gas stations, American Express, McCain Foods, and many other companies have tried these.

There are various other techniques that do not provide a direct return to the company, but enhance its image by publicly supporting a charity. That is called cause-related marketing. Here are examples of cause-related marketing:

- A corporation acts as host of a particular special event for you, paying part or all costs.
- A company adapts the idea of being "Official Sponsor of The Olympic Games" to being "Official Sponsor of \_\_\_\_\_". One internationally known courier agreed to provide thousands of dollars worth of free deliveries for a charity's Rolls Royce raffle and earned the title "Official Courier of the Juvenile Diabetes Foundation".
- Sketchley's Cleaners offered to clean and repair any used coats customers would donate to charity, and collected thousands of "Coats for Kids." They also got good publicity and new customers. Other cleaners felt left out.
- On a simpler level, an airline will give free tickets to be raffled off, if it feels they will get enough publicity among potential travellers.

Nonprofit groups benefit from the substantial amount of money available, and increased public awareness thanks to the corporation's capability for marketing. This can also give you leverage with other funding bodies. Finally, it means a more involved relationship with the funder than a routine exchange of proposal and cheque. It opens the door to better relations.

For the corporation, the best thing is that the publicity provides an extra reason to give to the community. Many corporations have to grapple with the question of why they spend any of their profits on donations at all. Levi Strauss & Co (Canada) has given to charities since it was founded in the 1800s, and many people still ask why. There may be sound philosophical arguments about good corporate citizenship, but in hard economic times, sponsorship is more methodical and measurable.

Against sponsorship are concerns about the effect on traditional corporate giving. First, it may leave out the small nonprofits, those that are low-profile, and groups involved in controversial causes. Many of these groups are on the cutting edge of new social issues. If

they are left out, society could suffer. Arts and sports groups are doing very well, but most nonprofits aren't as well positioned.

Caution also has to be exercised to ensure the group supports the corporation. Do you use their products? Would public disclosure of a link between your group and the corporation cause embarrassment for either side?

- An international courier company about to provide thousands of dollars to a charity changed its mind at the last minute. The charity sent urgently needed documents via the courier's chief rival.
- A coffee company was planning to support an arts group, until an executive touring the facility noticed the receptionist drinking from a mug with a competitor's logo on it.
- One centre for teenage mothers, was desperate for start-up money in its early years. Nestlé offered them full funding for five years. At the time Nestlé was being boycotted by groups for the way it promoted infant feeding formulas in Third World markets. The charity had a tough choice, and ultimately decided to turn down the funding.

Sponsorship can also cause confusion: Is the money coming out of a contributions budget or a marketing budget? If it is coming out of marketing that may change how the success of a donations program will be measured in the long term.

It can also lead to questions from the public over the purpose of the relationship. People have wondered if Ronald McDonald House is part of McDonald's Restaurants or a separate charity. In fact, it is separate, and most of the money has come from other sources. The House has had difficulties lining up other sponsors.

Ultimately, a company that has its identity wrapped up in a specific nonprofit group may even want to assume more control to protect its good name and its investment if the group becomes involved in a controversy.

There may even be a public backlash if they feel that a charity is being exploited, or that a corporation is spending more publicizing its gift than on the gift itself.

If you decide to go ahead despite the problems, be very clear about your expectations of what you will receive. You are selling an opportunity to the corporations to provide visibility and enhance their image. A different corporate department may make the decision, and a different approach may be needed.

Be sure you know all the strings that are attached. Are there restrictions on what other nonprofit groups and corporations can be brought in as partners? Do you have a signed contract? What are the provisions for your right to approve how your organization's name is used by the company? How will problems be resolved?

Know what your price is. What do other groups charge for similar marketing opportunities? How little will you accept? What are the opportunity costs (if any) of associating yourself with this particular company, in terms of lost chances to work with other companies and lost donations from angry consumers?

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### *Biggest sponsors*

Life insurance	\$2.55 million
Banks	\$2.5 million
Transport/communication	\$1.9 million
Petroleum	\$1.2 million

*Source: IDPAR*

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### *Where sponsorship dollars were spent*

Sports	47.4%
Performing arts	19.6%
Art exhibitions	5.6%
Other arts	5.0%
Other events	21.3%

*Source: IDPAR*

### **Non-financial support**

Companies can provide a wide range of resources beyond cash. The exact total is unknown, but in one IDPAR study, 102 Canadian companies calculated the cash value of their in-kind gifts in 1991. The total: \$39.8 million. Many others simply don't track in-kind donations.

Many companies would rather give merchandise or staff time than money --- especially during a recession. The most generous sector was printing and publishing, in which 3 companies gave \$5.3 million in kind but only \$600,000 in cash. Three electrical equipment companies gave \$5.2 million in kind.

In-kind gifts exceeded cash gifts for many companies operating in mining, food, printing and publishing, electrical equipment, chemicals and allied products, miscellaneous manufacturing, and transportation and communication.

In-kind donations of goods, services and personnel were reported by one out of three companies, with an emphasis on support of the welfare sector.

Corporate donors may give items that were surplus or could not be sold, but are still worthwhile to you. The goods may be brand new, or well used but recyclable. Shopworn, scratched demonstrators, used goods or trade-ins can be just as useful as new products.

- You may get goods and services that you could not otherwise afford to buy. Some rare items may not be on the market at all.
- A business owner, for example, may find it easier to give you building materials, a computer, or merchandise you can use or resell. They usually cost the donor less than

the market value of the product. In some cases, the manufacturer's cost may be as little as 25% of the retail value.

- An art lover may wish to give you a work of art.
- A landowner may offer property permanently or temporarily.
- A skilled person may offer services, from accounting to photography to painting walls.
- A company may have their staff do your printing, repair your organization's roof, or create an advertising campaign.

All these are referred to as gifts in kind. Many corporate donors appreciate the higher visibility that in-kind donations of products can provide that dollars don't. In addition, a donor may develop a stronger bond with your organization by providing goods and services than by giving mere money. It can give the donor a sense of personal, ongoing involvement with the organization.

### Develop an In-Kind Shopping List

Review your organization's needs with an eye to in-kind donations. What ongoing expenses are you paying for now that you might get donated? What might you need in future? Include both goods and services. Make a list of all the goods and services you plan to pay for in the next year or more. Every one of these is a potential in-kind gift.

Be specific about what you'd like them to give. It could be a van, a dining table, a bulldozer, a park bench, a week of an accountant's time, volunteer companions, or anything else. Later, this list can be matched to potential donors to see what opportunities you may have. The first step is to determine what you need.

Ask everyone else in the organization to do the same. Get them to write down everything they can think of --- an unlimited list of wishes. Nothing makes volunteers and staff feel more involved than being asked to contribute ideas. If you don't, they may feel slighted, "We do the work, why don't they ask us?"

Ask them to explain why they want each item and what they'll do with it --- briefly. Show what the item would be used for, how urgent the need is, and how many people will benefit.

Though you may be aware of most of your organization's needs, your staff and volunteers may surprise you with things you never even thought of that will make your work easier.

Offer recognition and a small reward for the most practical time- or money-saving suggestion.

Give them a deadline but don't nag those who don't meet it. Just take what you've got and merge all the viable suggestions into one list. Prioritize them in order of need.



## What can you get?

Here are some ideas to spark your imagination:

### *The products a company makes*

Unfortunately, many companies are reluctant to give away first-quality products that they could sell.

Computer companies, for example, are flooded with requests for free computers. When they do give them, it is often to highly visible demonstration projects, or to schools in the hope the students will later buy their brand.

Printers, as another example, are among the worst sources for free printing (although they will do it, especially if you do a lot of paid business with them). A company that has its own press but doesn't have to show a profit in the printing department is a much better bet. Major food distributors and insurance companies often fit this bill. Newspapers may have enough down time between printing editions of the paper to print special items. Unions often have their own presses, too.

Fortunately, there are many companies that do give away what they make.

- *McDonald's* gives food for annual meetings. They can send Ronald McDonald to selected events.
- *Ciment St Laurent*, in Joliette, Quebec, supported the construction of an outdoor theatre by donating the cement for the seats. The theatre is used for a three-week summer festival of the performing arts.
- The *Fairweather* clothing chain gave dozens of chic business outfits and a fashion training session to Skills for Change for immigrant job trainees.
- *Crystal Springs*, the Canadian bottled water producer, celebrated its 30th Anniversary by donating product. They preferred upscale events at which the product was displayed on tables and at bars, such as the Brazilian Ball in Toronto.
- A pharmaceutical manufacturer sends medical supplies that are still good but nearing expiry date.
- *University of Toronto* MBA professor Allan Phillips puts together teams of students to work on advertising strategy, for nonprofit groups 3 times per year.
- A Toronto merchandising and design school provides artwork for an annual historical event by including it as a class assignment. This provides the organizers with 10 to 15 designs to choose from. The nonprofit group awards a \$250 honorarium to the student whose work is chosen. For this small expenditure, they get artwork for posters, pamphlets, buttons, programs and T-shirts, a fraction of the cost of a professional graphic designer.

**Bonus:** Professional design work can increase donations as much as 25%, by creating or improving an organization's image. *Fundraising Management* magazine's cover story in January 1990 showed how it worked for a US health group.

- The YMCA receives cash donations from a new fundraising venture called the “Investment in Values Challenge”.

The in-kind donation is the expertise of sixteen Toronto investment houses, mutual fund managers and pension fund directors. Participating companies each set up an investment portfolio of \$100,000 and manage it for one year. At the end, the firm in each of the three categories whose investments have earned the most is awarded an “Investment in Values Challenge Cup”.

All the interest earned by all competitors' portfolios is donated to the YMCA.

The competitors host quarterly get-togethers and stage a gala dinner to recognize the winners.

- *Club Meadowvale*, a sports and fitness centre, organized a “Corporate Fit and Fund Challenge” with the support of the Delta Meadowvale Resort and Conference Centre in which it is located. All proceeds went to Credit Valley Hospital.

Each event in the Fun and Fitness Challenge was sponsored by a corporation. Club Meadowvale gave 50% of the sponsorship fee directly to the hospital and 50% was used to run the event.

All entrants' fees were donated directly to the hospital.

Club members, who are for the most part members of the corporate community, solicited all the donations, often from their own employers.

Companies such as *National Grocers*, *Maple Lodge Farms*, *Bakery Delite*, and *Pizza Hut* donated:

- food and beverages for all events,
- juices, fruit and vegetables for competitors,
- pizza, chicken wings, etc. for resale to participants and spectators, and
- a wide variety of prizes for a raffle.
- *Sheridan College* students create presentation pieces for the Mississauga Mayor's Awards for Business and the Arts. Sheridan College donates studio space and teaching time. The *Canadian Imperial Bank of Commerce* provides half of the \$400 honorarium each student receives, displays the pieces in their main Oakville branch for three weeks prior to the Awards Gala Dinner, and provides each of the students with tickets to the event.

### *Seconds (slightly damaged goods and samples)*

Companies are pleased to find a use for goods that might otherwise be destroyed. By the way, the materials given to you would still be tax-deductible as a business expense if they were destroyed.

- *Major department stores*, for example, give shopworn merchandise with scratches or damaged packaging that you can use or sell at rummage sales.
- *Levi Strauss & Co (Canada)* will give an organization holding a sale up to 500 pairs of jeans so slightly damaged that the flaws are usually hard to spot.

### *Raw materials*

- *Newspapers* will give the end of a roll of newsprint, which is too small for their high speed press, but great for flip charts or kids' art classes.
- *Levi Strauss & Co (Canada)* gives bolts of material, belts, coat hangers, thread, and elastic.

### *Used equipment and office supplies*

Organizations that are downsizing or remodelling may have surplus materials available, ranging from desks and photocopiers to manufacturing machinery with very specialized uses. Work training centres for disabled persons, women, immigrants and other special groups can benefit if they can show a company that the people they train on surplus equipment may become future employees.

- The *Regional Municipality of Ottawa-Carleton* gave away 45-50 used PC computers to charities.
- *CP Rail* gave 25 PC computers to the Skills for Change program which assists new immigrants entering the Canadian work force.
- A newspaper in Florida which had built a new plant gave the old presses to a nonprofit that shipped them to the Third World to print educational materials. Although the equipment was outmoded by North American standards, it was valuable technology overseas.
- *McDonald's* gives pads and pencils for conferences.

### *Office, workshop and storage space*

Companies that are downsizing or moving to new premises and have time left on an old lease, may provide offices, warehouses or factories.

- The *National Bank of Canada* will give a "reduced rate for rent of buildings we own."

### *Employees as volunteers for nonprofit groups*

Companies will post your request for volunteers, or put it in a newsletter. They may make even more elaborate arrangements.

- *ManuLife Financial* has held 'Volunteer Fairs' offering 60 or more organizations booths to recruit volunteers among their head office employees.
- *Levi Strauss & Co (Canada)* will give up to \$500 to any charity where an employee volunteers.
- *Bell Canada* recently faced losing highly skilled staff to short-term layoffs. To keep them with the company, but reduce costs, Bell offered their services to nonprofit organizations at greatly reduced salaries for six months to two years. Bell would pay from a to 2 of their salaries which ranged from \$52,000 to \$55,000 per year. The employees kept their seniority, pension and benefits.

- *American Express* offers its employees sabbaticals with full pay and benefits to work for the community organization or nonprofit group of their choice. Staff are allowed six-month sabbaticals after ten years' service and a full year after twenty years.
- The *Bank of Montreal* offers staff members paid time off as "people care days". The "paid leave of absence can be taken in part-days or even hourly increments", and can be used "to deal with everything from getting a marriage license to working for a charity".

### *Loaned executives during business hours*

Companies may send their staff to assist you with special problems, or serve on your board. It helps the executive get well rounded training, and may provide added job satisfaction for those who cannot be promoted. Examples include an accountant to help set up or improve your bookkeeping, a publicist to help arrange media coverage of a special event, or a staff artist to design new letterhead or brochures.

### *Professional services*

Ad agencies and lawyers will often take on nonprofits as free clients when they are not too busy. They do so to show off what they can do, keep employees busy or train new people. Companies have even paid their ad agency to work on a nonprofit's campaign. They may pay a consultant's fees if they believe it will help their favourite nonprofit.

### *Photocopying or use of a postage meters*

Employees may do this on the sly, but many companies openly endorse it for causes they support.

### *Lobbying for legislative changes*

When a position on an issue is shared by management, a company may want to participate. Having a corporation involved can be a big help. They can show you techniques they have used successfully themselves. Often just having a senior executive on your side adds clout to your presentation.

### *Strategic planning*

Companies have refined planning to a high degree. They will occasionally assist nonprofits in developing their own plans.

### *Market research advice*

Companies will help you develop the expertise to research your clients' needs better, or discover how widespread a problem is.

If you are considering setting up a small business, corporate market researchers can help you test the waters.

Donor surveys can be valuable ways to improve relations with supporters, and companies have helped design the forms and analyze the results.

Companies may tag a few of your questions on to a mass poll they are conducting, so that you can determine how the public feels about key issues such as improved accessibility, or better payments for attendant care.

### *Telecommunications and computer services*

Companies and government offices may allow you to use their long distance WATS lines for a day of special calls. Computer facilities may be shared to do major data entry work, or handle your books or mail lists, especially during the evening hours.

- *Bell Telephone* will sometimes bring groups into their boardroom to use free teleconferencing services (even video-conferencing) for national meetings.

### *Other creative combinations*

Creative thinking can develop many more ideas. Sit down with your shopping list and supportive corporate donors and see what new ways you can devise together to help more people with limited budgets.

- The *Oakville Waterfront Festival* raised approximately half of the \$400,000 budget through in-kind donations. One dollar in each \$5 of revenue from the festival is returned to community groups whose volunteers have worked on the festival. The monies are distributed to the organizations in proportion to the amount of time given by their volunteers to the Waterfront Festival.

The Chairman of the Festival is the retired Chairman and CEO of McCormick Canada (the spice company). He approached the festival and offered his services because he wanted to get involved in the community.

Donations include:

- all the accounting services
- communication systems from Bell Cellular and Motorola
- "a ton of office equipment" from Pitney Bowes for the four months that the festival operates a full office. This is better than an outright gift it doesn't have to be stored for the other eight months and what comes is more likely to be up to date.
- over \$10,000 in services from The Oakville Beaver including ads, telephone Info Line services, the services of an artist for posters, programs, etc and ad space to thank donors
- a children's playhouse in Coronation Park. Built and installed by local builder, Mattamy Homes, it will be raffled or auctioned off at the end of the festival.
- garbage removal services from McEwen Waste Management (Pat McEwen is Coordinator of Volunteers) working with the Recycling Association.
- Big Brothers doubled the funds raised, from \$10,000 to over \$20,000, at their Appeal Spiel curling bonspiel using in-kind donations.

To participate, teams solicited cash pledges. They received prizes based on the total pledges they brought to the Spiel.

For example, an electronics firm agreed to provide 28" colour TV sets at cost. Each of the four members of the team with the highest fundraising total, over \$5,000 in pledges, received a TV set. Corporate donors and small businesses also donated over 150 door prizes.

Big Brothers were well aware of the consumer market they offer to sponsors --- their members are primarily males 20 to 45 --- and looked for sponsors who would appreciate it. For example, *The Molson Companies Ltd*, who donated three-day passes to the Toronto Indy Race, and *fitness clubs*, both local and in Toronto, who donated memberships.

In many cases the Big Brothers were employees of the donors, or knew someone who was.

- Members of *the Baha'i community* of Oakville observed International Women's Day by helping promote and support Halton Women's Place, a shelter for abused women and children.

A Baha'i member saw an article about the shelter and called and asked if they could help. They had posters designed and printed, promoting the work of the shelter and soliciting in-kind and cash donations.

They arranged for air time on their cable television show *Baha'i Presents* for the Shelter to explain its activities and services, particularly the need for affordable housing.

- *Junior Civitan* of Oakville used in-kind donations to support their 19th Annual Dance-a-thon, which lasts 25 hours.

The *Oaklands Regional Centre*, had in the past donated their facilities in trade for volunteer time. With increasing pressure on funding by the government, they asked instead for a donation of equipment for the gymnasium.

- *Subway*, *Tim Horton*, and *Pizza Pizza* and local grocery stores (both branches of chains and small privately owned shops) donated food and beverages for participants.
- *Ford* provided three vehicles, two vans and a pickup, for the weekend to move people and supplies.
- The *Airport Holiday Inn* provided a large meeting room as a staging area for Junior Civitan participants who flew in from the US. The room was supplied with TV, VCR and videos.
- Luciano Benetton, the owner/director of *United Colours of Benetton* of Italy organized a worldwide campaign to gather clothes for those in need. In Canada, this was done in partnership with the United Way. Eye-catching ads featuring Luciano himself, discretely nude behind the text, were placed in major newspapers. Donors were invited to bring good used clothing to drop-boxes in any Benetton store. Benetton hired a fleet of trucks to deliver the clothes to local United Way offices. All the United Way agencies had to do was distribute them to their clients.

## Determine the Cost of the Goods or Services

### *Put a price on each item.*

For each item, list what you would normally have to pay. You can easily find this out by checking the Yellow Pages and making a few phone calls to manufacturers or retailers. Tell them you're putting together a budget and would like to get an idea of the cost of the item or service. If it's something that's often advertised, check your local papers. You may find it more economical to buy low cost items rather than spend valuable time arranging donations.

### *Put a value on it.*

Once you've put a price tag on each item on your wish list, put a value on it in terms of what you can do with it. An item may seem expensive. You may fear it is too much to ask of a donor. To help overcome this barrier, present its value in terms of what effect it will have on your work or your clients.

This will be very important when you approach potential donors. Just as you tell them what their financial support will do in terms of goals accomplished and people helped, you have to be able to quantify what effect their goods or services will have on your work.

For example:

- the donation of a van to a Meals-on-Wheels group will enable it to get meals to 100 more shut-ins
- a telephone will allow a distress-line group to help 30 more people daily
- printing 1,000 pamphlets will enable a childproofing group to help parents protect 2,500 children
- a computer for record-keeping will reduce the waiting time for processing a social agency's clients from a week to two days

### *Count all the costs*

Be sure to include all the costs required to make the item usable:

- a van is just a hunk of rusting metal without insurance, gas, maintenance, and a driver
- a copier needs paper and toner
- pamphlets and newsletters need envelopes and postage to be mailed
- a computer needs a desk to put it on, a printer and diskettes, software, staff training and servicing

### ***Beware 'free gifts' that are expensive***

'Free gifts' can be very costly! Watch out for these traps:

- *Spending a dollar to save a nickel.* Time is money. Don't waste hours of volunteer or staff time hunting for an item you could buy more cheaply. A worthwhile donation is worth five times what it cost to get.
- *Getting false savings.* A computer hardware manufacturer gave a major Canadian performing arts group a 50% discount on 27 personal computer systems plus a file server. The CEO of the manufacturer is on the arts group's board of directors.

However, the list price was higher than actual available retail price so the effective discount was probably only 25%. The hardware has been troublesome. Support, both written and oral, has been poor, and delivery took seven months.

- *Getting what you didn't want.* A donation of an item you can't use is a liability, not an asset, even if it might be useful to someone else.

These 'white elephants' take up precious storage space, and deplete energy as people try to figure out how to get rid of them without offending the donor.

If you have no immediate use for goods donated in kind, will the donor be offended if you resell them? This problem can arise when a donor gives product, art work or land, but you need immediate capital.

If you are not going to resell them, can you store them adequately so there is no damage?

Will you have to pay large fees for insurance, transportation, or legal work for an item you don't really want?

If you can't use it, just say 'No thanks.'

- *Getting dangerous garbage.* One nonprofit group received a donation of skis that were so old they weren't legal to use on the slopes. They couldn't use them, sell them, or give them away. Another got medicines that had expired and were dangerous to use.

Refuse to be a refuse collector. Sometimes it pays to look a gift horse in the mouth.

### ***Doing harm***

Are the in-kind gifts used in projects appropriate?

For example, in a Third-World country, tractors are of little value if spare parts and fuel are not easily available. Food aid stops hunger short-term, but may do long-term damage to local farmers and merchants, resulting in worse hunger later.

Weigh the value of a gift against any harm it might do.

### ***Decide Possible Sources***

*Round up the usual suspects.* Contact printers for printing, the media for advertising, the appropriate manufacturers for their products, and restaurants for catering.

Ask your volunteers and staff who they know and use in your community.

Find out from other groups which businesses have given in-kind donations to them, what products they gave and what the value of the donations was.



*Investigate the unlikely.* Ask those that don't earn their living from selling the product.

Large companies that have in-house printing equipment can provide printing. Nonprofit groups have received free printing from insurance companies, supermarkets, newspapers and prisons.

Community colleges and technical schools teach a wide variety of skills. Schools like to offer 'real-world' experience and students like to add to their résumés or portfolios. Look at the curricula of schools in your community for more ideas.

Businesses that are upgrading their computer or photocopying systems may donate their existing equipment.

*Example:* Petro-Canada's head office has given computers, office equipment and artwork, when renovating offices or changing staff.

Many companies are downsizing or facing bankruptcy. Don't write them off as potential donors. They may be happier to donate equipment or supplies to a nonprofit organization than to have it seized or sold for a fraction of its value.

When you approach manufacturers or distributors, ask not only if they will give, but also if they can put you in touch with anyone who has recently made a sizable purchase from them. That customer may be willing to part with the old furniture, copier, or computer that they have just replaced.

If you have an office, brighten up your lobby or reception area --- speak to local art galleries. It is not uncommon for them to loan pictures in return for an acknowledgement hung beside them. Perhaps not vital to the function of your organization, but it shows everyone who comes into your offices your support of local businesses and artists.

**Warning:** Be sure you are insured in case the artwork is damaged or stolen.

*Distribute the load.* Don't ask a single supplier to donate everything. Ask a number of different donors for part of what you need.

- For a pamphlet, ask a designer to help you create it, one company to donate the printing, and another to give the paper.
- To get free food for a gala, get several cooks to each make one dish, and food companies or farmers to donate the ingredients.
- For a special event, ask a number of different entertainers to make a brief appearance. Convince a retailer or manufacturer to loan the sound equipment.
- For a computer system, ask different companies for the printer, software, diskettes, training and service.

Produce a list of needed materials or components, then plan the approach. Go for the easy targets first, then you can fill in the blanks with the more difficult items.

*Example:* The Canadian Vintage Motorcycle Group approached a number of manufacturers and asked for a case or two of their product for prizes. The request was so small that almost everyone who was approached agreed and gave two cases. Not all companies were in the motorcycling industry --- Scott Paper, ArmorAll, SC Johnson (who make Off! insect repellent), and Mentholatum of Canada (makers of hot and cold liniments) provided product. Though each manufacturer gave only \$30 to \$60 worth of

goods at his cost, the two dozen "Prize Product Packs", with a single package of each product, had a retail value of over \$150 --- a total of over \$3,000!

*Bonus:* As well as being asked for less, the donor is often pleased to be part of the group. In other cases, when faced with the list of donations from other businesses, donors feel more pressure to go along with the group.

*Example:* A school offered one group the services of a graduating business student for eight weeks at no charge. The problem --- no extra office space, furniture or equipment.

One staff person, seeing a chance for free help for two months, offered to bring in her home computer and printer. She spoke to a nonprofit that she knew was moving --- they agreed to donate furniture they no longer needed. Next, the landlord was approached and told that student, computer, and furniture had been donated. He agreed to provide adjoining unused office space. Finally a major telephone-leasing group agreed to donate a used, multi-line telephone compatible with the office system.

*Look for a connection.* You increase your organization's success rate by making use of personal connections between your current donors, supporters or volunteers and the potential donor.

*Ask donors who have something to gain.* In a few pages we will cover in greater detail the benefits you can offer donors and the reasons for choosing to approach certain companies or individuals. At this point, however, consider as a likely source anyone you think might have something to gain from making a donation to your organization.

### ***Find the Right Person to Do the Asking***

Always approach businesses where you have leverage.

Give yourself the advantage by getting people who have some connection with the potential donors to do the asking.

*Survey the home front.* First look to your own suppliers --- anyone whom you have previously paid for goods. Talk to the sales representative of any from which you buy products or services.

Then look to your supporters. In your volunteer and donor records, note their employer's name or, in the case of more powerful contacts, the name of the company they head. Look for the names of companies who purchase or manufacture the kind of goods you are looking for. Start with those who deal in large quantities.

Ask your volunteer/donor if he or she is willing to ask their major suppliers. The donation of their name and prestige will get you more goods --- sooner and more easily.

*Check out the locals.* At local print shops, check business cards, letterhead and other samples on display. The more elaborate or expensive the samples, the more influential the client is likely to be. If their choice of paper or ink is environmentally friendly, maybe they are too. Make a note of the names and check to see if you have a volunteer/donor who works for any of them.

In the lobby or reception areas of local companies, check the business magazines. The ads in the trade magazines on the coffee table will give you an idea of the types of products they purchase. Sport trophies or recognition plaques displayed there can tell you what companies or organizations they are currently dealing with. Check your lists to see if you have a connection.

*Read the papers.* Check the business section of your newspaper for major contract announcements. They'll tell you who is dealing with whom, and often give names of senior executives. New contracts may mean major purchases from a variety of suppliers. Again check these names against your lists of volunteers and donors.

In the same newspapers, check the Appointments listings in the business section for names of your volunteers or current donors. Are they now with businesses that you might want to approach?

To be effective, the person you choose to do the asking should have leverage or connection with the potential donor. He or she may be an employee or customer of the company, or someone in the same business who has already made a donation similar to the one being requested.

If you have no one in any of the above categories, can you ask someone of prestige in the community? A city councillor, the senior executive of a major local employer, a recognized community benefactor, or a local sports or entertainment star? If the potential donor doesn't know the asker, is there someone whose reputation will mean something to him?

This is where a little research can go a long way. As well as the potential donor's business connections, look for personal connections and interests. How does the donor spend his or her leisure time, who does he/she spend it with, what sports or entertainment does he/she enjoy, what involvement does the spouse have in the community?

When you have found a volunteer with a connection, find out how much they know about their prospect. It's always worth a little research to make sure your asker knows as much as possible. The better prepared your asker the more likely and larger the success.

### ***When to Ask***

Allow lots of time. Never rush anything free.

Give the donor time to fit in your in-kind donation after the paying customers.

Think well ahead, particularly if you have a deadline such as a special event. It is not unusual to ask a year before an event for donations of such items as entertainers or catering.

Have a firm idea of the timing that would be best, in case the donor asks. Donors may find it difficult to meet that deadline, so be willing to be flexible. They are more likely to try to fit in with you if they think:

- you are organized
- you have a specific need
- your approach has been well thought out

Donors usually have a yearly budget for in-kind requests. A company's fiscal year end may fall at any time throughout the year. With large corporations this should be your first question: when do I make my request?

*Watch for off-season opportunities.* Many suppliers are more willing to help when they're not busy.

A construction firm could do repairs on your property when work is slow. A hotel can provide meeting rooms when occupancy is down.

January and February or the summer months can be slow periods for a wide variety of businesses. For others, winter is a dead time. Ask them to tell you when their off-peak periods make it easy to give.

That doesn't mean you should wait until the slow period to ask. Just let donors know that you will be pleased to wait until the quiet season for the actual work to be done. Be sure to include the timing in your planning.

*Example:* Cineplex Odeon is marketing their theatres as meeting rooms and special events sites at off-peak times. Try approaching them with your event to offer some community exposure in exchange for free or reduced-price use of their facilities.

*Offer benefits to the donor.* Put their name on it. As an extra incentive to give, help the donor get more business. Offer to put the donor's name or advertising in your newsletter, event program or brochure.

*Example:* All faxes sent by VOICE for Hearing Impaired Children bear the prominent message, "The facsimile used to send this document was generously donated to VOICE by Lanier Canada, Ltd" and the Lanier logo.

*Bonus:* The supplier will provide their best, if the company name is going on it.

*Example:* The Royal Bank printed pamphlets for a festival in Burlington. They printed the bank's name on the last page of the brochure.

Mention your business supporters in all your printed materials, including ads, invitations to events and souvenir programs.

*Example:* The Canadian Vintage Motorcycle Group prints the names of its donors in its promotional pamphlets. At the top of the list in bolder type are the names of the six modern motorcycle manufacturers.

*Bonus:* The prominence of those six names is enough to guarantee any additional support the event will ever need, and their support adds immeasurably to the prestige of the event when it comes time to sell tickets.

If the big names are supporting you, then others are more likely to follow suit. The big names are also pleased to be acknowledged as leaders in their field. (Be honest, use this as selling point when you approach a potential major donor.)

*Example:* Performing groups acknowledge donors in their programs --- ballet, symphony, choirs, local theatres, school music groups. Everything from flowers to furniture, car rentals to caterers. Almost everyone attending reads the program and many are saved as souvenirs.

*Bonus:* Publicizing the fact that you have in-kind donations enhances your image as good stewards of resources.

*Share your advertising.* Being associated with a nonprofit group in advertising is a great carrot to dangle in front of a donor. Marketing departments are particularly susceptible to this incentive. Positive exposure can be of exceptional value to image-sensitive organizations.

First, approach the media for air time or ad space. Once you've got it, include mention of your sponsors whenever you get the chance.

Newspapers and radio stations should be one of your first targets for a special event in-kind drive. If you can approach other donors with the promise of this type of publicity, asking may be easier.

*Don't overlook billboards and transit ads.* Ask how much the ads would cost if you had to pay for them. Tell the donor the cost to quantify the value of the return they will get on their investments.

For even more impact, get the radio station to bring their portable broadcast booth down to the site. Whether it's a special event or a key day in your campaign, offer the site or your office as a broadcast location. You'll attract crowds of potential donors.

Have the station interview donors, celebrity supporters, clients, staff, and volunteers. Have countdowns or targets that you can report on air to keep up interest.

*Offer tickets.* If the organization is having an event, offer the donor one or more free tickets or preferred seating. Offer to introduce them to the audience and acknowledge them, their company and their product. Suggest that they could send employees to boost morale or entertain customers to boost sales.

*Example:* The Canadian Diabetes Association is the organizing charity for the reception and dinner surrounding the National Hockey League Annual Awards. They search for hockey fans at the executive level of potential donor companies and key marketing executives. They exchange a *small* number of tickets --- to maintain exclusivity --- for donations of products or services. They promote the value of entertaining clients who are fans or the opportunity to network in a relaxed environment.

The same approach can work at the local level on a smaller scale.

*Attract customers.* Some retailers can provide both product and a place to hold your event.

*Example:* IGA Supermarkets often donate food for a barbecue held in their parking lot. This raises money for the nonprofit group, and also attracts customers to go shopping.

*Example:* Brewers Retail (beer distributors in Ontario) agreed to help a charity collect and return beer bottle empties. Usually this requires hundreds of volunteers walking countless miles and large numbers of vehicles. In this case, the nonprofit group approached the donor with a well thought out plan to minimize the effort and maximize the results.

Brewers Retail parked tractor-trailers outside each of The Beer Stores in the community. Volunteers for the charity approached customers on their way into the stores asking them to donate their empties, and loaded the cases into the trucks. Total take for the one-day drive: \$17,000; total cost: nil.

*Bonus:* Brewers Retail spent nothing extra to bring in the trucks which would have been needed to take away the empties if they had come in across the counter. They also gained a considerable amount of favourable publicity from the event. A win-win situation!

*Sell the product.* If a donor gives merchandise to be sold to raise money for nonprofit group, this can build customer loyalty or be an opportunity for sampling.

*Example:* Gevalia coffee company gave samples to a Vancouver classical musical group which:

- a) sold their brand at intermission, and
- b) had volunteers package the product in gift baskets to resell.

This provided the company with exposure to an upscale target market group.

*Help with staff development.* Many companies are already aware that loaning personnel improves morale, provides exposure to a wider range of learning experiences, and can provide training, avoid layoffs, and create or improve a positive community image.

*Reward the donor.* When businesses give, thank them, as publicly as possible. Positive feedback pays off many times over.

- Have a ceremony. Put the donor's name on the item, if that's appropriate.
- Offer signs they can post in their window. Plaques for their walls.

*Example:* A number of years ago, the Ontario branch of a national health charity gained the ongoing support of a local radio station for their major annual fundraising event. The station provides on-air time in the form of announcements and frequent mention by their disk jockeys. Each year the charity stages a ceremony in the station's lobby to present an updated plaque acknowledging the donation. The most recent plaque, prominently placed, boasts an accumulated total of over \$168,000 worth of donated air time!

*Bonus:* Best Sign Systems is one of several companies that engrave bricks and tiles for donor recognition in walkways, lobbies and public areas. They claim up to 500% increases in donations with effective use of their product.

- Invite the donors to see their donations in use.
- Announce their names at meetings.
- Have clients write letters of thanks --- kids can do oversize art that can be posted in a store window, in an office or on a reception area wall.
- Honour the best at a fundraising dinner, lunch or breakfast and have the food, beverages and location donated.
- Designate an "Official Supporters" list just like the Olympic Committee.

Business donors should end up feeling they made a wise investment. That takes lots of reinforcement. Be known as the most appreciative nonprofit group in town.

Don't spend money thanking donors and volunteers. That seems like a waste of their money. For plaques, try asking the manufacturer to donate them and offer to put their name on it, too. Do it all for free.

### **Plan How You Will Ask**

#### *Find out why they give*

There are basically three reasons people give to nonprofit group:

*Self-interest:* It affects them or people they know personally, whether it's a disease, an art form, a social problem or an education --- or they get benefits.

*Clout:* Somebody important to them is doing the asking.

*Passion:* They care deeply about your cause.

Researching your potential donor should tell you which of the above apply and can be most effective. It can be all three --- which should get you an immediate and generous response.

#### *Give them results.*

'Need' is a negative word. People don't give because you need something. They care more about the results you can accomplish.

Focus on ends, not means. Remember that people give to people. They want to know who will benefit from their gift.

Go armed with all the details to quantify the value of the goods or services to your organization.

Tell them in dollars and cents (if you can), and human terms, what good their donation will do.

### **Maximize the approach**

Consider if you want to send a client or staff person with the volunteer asker to support the request.

This depends on the size of the request, the status of the donor you're seeing, the asker's relationship to the donor and the nature of your organization's work.

Ask yourself, how it would help and how much it will help. If the answer is "Not much", or "He or she can do it best one-on-one", send the asker alone.

If you do send two people, have them sit down and discuss their approach and goals before the visit. Make sure each understands his or her role and that they are comfortable working together.

The right pairing can provide an effective one-two punch. It allows one to sit back and observe while the other makes the presentation.

*Put it in writing, but only if you have to.* Some companies require an initial written submission. This is often the case with major corporate donors who receive hundreds of requests daily.

Your first contact must be a request for their guidelines. Find out exactly what they want to know and then tell them.

Make your letter as brief, comprehensive and effective as possible. Before you send it, have someone outside your organization read it to make sure:

- that it's not too long or rambling
- that it is clear and understandable and doesn't require any further explanations, and
- that it has human interest.

Send them everything they ask for or explain why you can't. If they make no specific requests for supporting material, include some basic pamphlets if you have them, but don't overload them. Too much material makes them wonder how wisely you're spending your donors' dollars.

See Hewlett-Packard's list of required information (p 114, in the Sampling of Major Corporate Donors' In-Kind Donations Policies). It is a good example of standard corporate requirements.



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# How to encourage companies to give

THE BUSINESS COMMITTEE FOR THE ARTS ASKED CORPORATE ARTS patrons in New York why they gave to the corporate arts.

They responded in classic marketing terms, listing corporate citizenship (91%), enhancing image (65%), media coverage (35%), product promotion (28%), and increasing sales (20%). The underlying message was that they wanted a return for their dollars.

What better way, then, for a corporation to get exposure for its corporate citizenship, product or services (and a tax deduction) than through a high visibility gift of its product or services?

The Committee summarized the recommendations as follows:

- Make reasonable requests for support 63%
- Understand corporate goals and objectives 54%
- Provide project and organization budgets and lists of other supporters 50%
- Include marketing plans and requests 28%
- Show willingness to work with business to develop programs that meet the company's corporate mission 26%

The key is to understand your potential donors' marketing mission, whether they're a corporate giant or the local store, and to demonstrate how they can meet those goals by giving product or a piece of equipment to your organization.

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## ***Let People Know Your Needs***

Once you have your list together, let everyone know what you need.

*Start at home.* Put the list in an attractive, easy-to-understand format. Print lots of photocopies.

- Give copies to staff and volunteers.
- Put copies on the bulletin board and in the newsletter.
- Talk it up at board and committee meetings.
- Circulate the list. Print it neatly on a big piece of paper and put it in your doorway or window.

### *Spread it around.*

- Write a letter to the editor.
- Ask volunteers if they can get it put up on their company bulletin boards or included in company or trade newsletters.
- Print a catalogue suggesting gifts people could give their community, and distribute it through stores or newspapers.

Christmas is a particularly good time to do this, though Mother's Day, Father's Day, Thanksgiving or any occasion may be appropriate for your group. If your organization has a `day', `week', or `month', circulate it then.

If you do choose an occasion-specific theme, be sure to have it printed well ahead. For example, for Christmas, get it printed in September for October/November distribution.

In producing the catalogue, your first approach should be to a writer and designer, and then a printer. See if you can get them to give you your first in-kind donations to start the ball rolling. The catalogue can be as simple or as glamorous as you can manage.

Don't worry if it's not slick, just well designed, presentable and well thought out. In some cases, modesty of presentation is a plus. Don't forget to use recyclable or recycled paper and ink, and say so in the publication.

You can even update it with stickers or a stamp, saying : "SOLD" and listing the names of the generous individuals who have helped reduce the list.

### *How to Handle In-Kind Donations in Your Budget*

In-kind donations can and should be accounted for in a budget.

- This acknowledges their real value.
- It may also encourage donors to make more in-kind contributions to you.
- In-kind donations may also be eligible for matching grants.
- Finally, it shows your good stewardship of resources to the public.

Divide in-kind donations into two categories:

- a) cash equivalents and
- b) windfalls.

### *Cash Equivalents*

Cash equivalents are goods or services which you budget to purchase.

These do not change your budgeting for expenses in any way.

Let's say you intend to acquire a computer worth \$10,000. It's irrelevant to you and the expense budget how you acquire the computer. That \$10,000 could be a small part of a government grant, or from 70 different donors, or an in-kind donation of the hardware itself. It may even be a combination of these. The same applies whether it is office equipment, printing, or goods to be used in projects.

In this particular case, show a line item for "Computer... \$10,000" on the expense side of the budget.

Then compile a list of the in-kind donations you will solicit in the year ahead.

Some items would be cheaper to buy, given the staff time necessary to get them donated. Finding the others becomes part of the work plan.

Always note exactly what is needed with full specifications, so it can be requested properly. If variations are acceptable, say so. If an IBM-compatible computer isn't available, will a Macintosh or Amiga do just as well?

Also note the deadlines. If the items are not donated by a set date, then you will go ahead and purchase them instead. If you need the computer up and running by September 1, allow time for installation and training. You may need to know definitely whether or not you'll have the computer donated by August 1st, so you can purchase it instead.

Thus, you may have a list like this at the beginning of the year:

**In-kind donations to solicit:**  
approx. retail value

Computer	\$ 5,000
(IBM clone 486, 250-meg hard drive, 2 floppies needed by August 1)	
Printing	\$ 3,500
(2-colour, 4-page brochure, 10,000 copies needed by June 25)	

On the income side, when the donation in kind is received, include it, just as you would for any cash donation. Where the income budget shows, for example:

Donations: \$100,000

add lines for:

In-kind donations:	
Computer	\$ 5,000
Printing	<u>3,500</u>
Subtotal	<u>8,500</u>
<b>Total</b>	<b>\$108,500</b>

### *Windfalls*

Windfalls are items that you did not intend to purchase. They are not in your expense budget or your work plan at the beginning of the year.

Ideally, windfalls will all be of immediate use. Someone may offer you desks, a used fax machine or some other equipment, which you may accept, even though you had no intention of buying such items this year.

Some in-kind donations, however, may create secondary problems. If a donor offers 100 tons of milk powder which you had not planned on purchasing, you may accept it or decline it. If you accept it, you must then arrange warehousing, transportation and distribution. These secondary expenses, too, may be found in kind or paid for out of other donations.

You do not plan for these windfalls. You have no intention of going out to get them. Although it is reasonable to anticipate that some will be offered each year, and the value of these might be projected based on past experience, you can't know which items may appear.

For all these reasons they are not included on the expense side of the budget at the beginning of the year. Thus, in January, no item would be shown in the budget forecast.

During the year, those that are accepted should show up on the income side of the budget. Do this in the same way as above.

When the items are then used, they are added to an amended version of the budget.

For example, you may start the year with an expense budget of \$10,000 for medical supplies. You plan to pay for these from donations. During the year, a pharmaceutical company donates these plus another \$50,000 worth. You accept. The amended budget now shows \$60,000 for medical supplies on expenses and on income.

A footnote explains these were:

- a) in kind and
- b) a one-time windfall.

It is important to footnote these as windfalls, so that no one is surprised if your budget for medical supplies reverts to the \$10,000 level in subsequent years.

If they are accepted in one fiscal year and not used in a project until the next year, it may be appropriate to arrange a carryover. Thus the income would show the donation in kind in one year, and the expenses would be in the next. Footnote both.

### ***How to report in-kind donations on your audited statement***

For your audited statement, it may be necessary to differentiate between in-kind donations for which you can issue a tax receipt, and those for which you cannot.

For practical purposes, it is simplest to say you can issue tax receipts for goods, but not for services. There are a few exceptions to this, but by and large the rule applies. In a footnote to the financial statement, include the following lines:

#### **Donations reported in this statement include:**

Tax-receiptable donations of goods in kind totalling	\$ _____
Non-tax-receiptable donations of services in kind totalling	\$ _____

Donated fixed assets are recorded at fair value when received. Donated materials and services which would otherwise be paid for are recorded at fair value when provided.

The work of [name of the group] depends on the voluntary service of many members and others. Since these services are not normally purchased by [name of the group] and because of the difficulty of determining their fair value, these donated services are not recognized in these financial statements.

Keep a list of in-kind donations, showing what was given, at what value, by who, and how it was solicited. Update this list regularly. Give copies to everyone who is helping with donations.

## A Sampling of Major Corporate Donors' In-Kind Donation Policies

### *Air Canada*

Contact: Sandy Gandier, Public Affairs Administrator  
130 Bloor Street West  
Toronto, Ontario  
M5S 1P5

Tel: (416) 323-5510  
Fax: (416) 323-5437

Air Canada will give travel passes. Passes can be used by the organization, or for a guest speaker. They can also be used as door prizes or in a free draw, but not for auctions or raffles. Passes must be used within a set time.

Preference is given to humanitarian and environmental groups. Large groups are more likely to get support.

In sports, Air Canada supports golf locally and nationally, and amateur hockey only at the national level. They generally do not provide charitable support for minor athletic groups, hospitals, school fairs, beauty pageants, racetracks, yearbooks, or religious or political groups.

Air Canada has a very small budget, greatly reduced from previous years. They could fill half their planes with nonprofits' requests.

They like to attend if you are holding an event. Air Canada wants exclusivity as the only airline involved.

The best time to contact them is March and April for passes to be used by the end of August. Their guidelines change constantly.

Air Canada policy requires a brief, written request. Outline clearly who you are, what work your group does, how the passes would be used, what marketing or promotion you plan and any other information that supports your request. Keep additional materials to a minimum. "I don't need to see your annual report," says Sandy. "The simpler and more straightforward the request the better".

### *Petro-Canada*

Head Office  
Contact: Katherine Stephens, Public Affairs Officer  
Suite 200  
5140 Yonge Street  
North York, Ontario M2N 6L6

Tel: (416) 730-2894

Petro-Canada makes donations of oil and gasoline vouchers. These are specifically made at the local level.

Both local and head offices donate office equipment when their facilities are upgraded.

Request a copy of Petro-Canada's booklet on their Corporate Contributions Program from the head office. Though for the most part it outlines financial support available, it also provides vital information on the types of groups funded and details how to apply for assistance. Most importantly it says: "Particular emphasis is given to locations where we have substantial operations."

### *Xerox Canada*

#### *Head Office*

*Contact: Christine Chapman, Contributions Administrator*

*5650 Yonge Street*

*North York, Ontario*

*M2M 4G7*

*Tel: (416) 733-6903*

Xerox can provide everything from a copier to a golf putter with their trademark on it. Donations can include service and supplies for the products. Request a copy of *Teamwork: Xerox Canada and the Community*.

In-kind requests are best made at the local level. District Managers are provided a budget that they may hand out in kind or in cash.

Pat Lytle, Corporate Contributions, Head Office, emphasizes that they want brief but comprehensive written requests. These must show that the organization has done its homework in finding out Xerox's donation policies and addressing their request to the proper department. "Obvious mass mailings addressed, 'Dear Friend' are simply discarded. We just don't have time to read them. On the other hand we don't want the glossy brochures and large packages of unnecessary materials. We're not impressed by the waste of contributor's dollars, and we'll just send them back", Pat explains. "Just send a two- or three-page proposal. If it's reasonable and within our guidelines, we'll call if we have any questions."

### *IBM Canada*

*Contact: Kathy Stewart*

*Corporate Donations*

*Department 43-961*

*3500 Steeles Avenue East*

*Markham, Ontario*

*L3R 2Z1*

*Tel: (905) 513-5859*

IBM supports nonprofit organizations with in-kind donations through its Fund for Community Service.

IBM employees, retirees or their spouses may request the donation of a computer system with printer for a nonprofit group with which they work. They must have spent at least one year with the organization, donating at least 10 hours volunteer time per month during that time. All requests must be made in writing by the employee.

Targeted are groups for the disabled, disadvantaged, seniors or the environment. Excluded are religious, political, educational and solely recreational groups. Most applications are reviewed on individual merit.

Employees should verify that their group qualifies under the general guidelines before making a formal, written request.

***Apple Canada***

*Contact: Marlene Mail  
Donations Administrator  
Customer Assistance Centre  
7495 Birchmount Road  
Markham, Ontario  
L3R 5G2*

*Tel: (905) 513-5859*

Apple has a limited donations policy. They fund "nonprofit organizations developing either software or hardware devices on the Macintosh computer for the physically disabled". This applies to both in-kind and financial support. Request further details before sending an application.

***Hewlett-Packard (Canada) Ltd***

*Contact: Sandra Pighin  
Grants and Donations Coordinator  
5150 Spectrum Way  
Mississauga, Ontario  
L4W 5G1*

*Tel: (905) 206-3245*

*Fax: (905) 206-4123*

Hewlett-Packard (Canada) Ltd reports that approximately 95% of their corporate giving is through "donations of equipment, software and services which the company manufactures or provides." They give away \$1.5 million worth of computer and medical equipment a year. "However, requests exceed available resources by about 40:1."

"The balance of 5% goes to matching grants for the United Way and universities or for small cash donations to community groups recommended by staff in branch offices across Canada."

Sandra emphasized that the key to getting a donation is "a good written submission, tailored to Hewlett-Packard, with our names spelled correctly --- not one asking for an IBM computer!"

"They must show some attempt to find out about us and what we do. The letter should be personally signed and include a return address. We often reply, sending a copy of our guidelines, to ask for more information. We are amazed at how many do not write again --- some groups just aren't properly prepared."

Examples of support to grassroots groups include a donation of \$10,500 worth of computers to Global Action Plan, London Branch "to manage their environmental programs. We usually prefer that donated equipment is not used for administrative purposes, but one of our employees was heavily involved with the organization."

As an example of Hewlett-Packard's support to disabled people's groups, they gave Access Place \$23,000 worth of printers and scanners "to show disabled people how they can adapt everyday equipment to their needs."

Here is their donation sheet as an example of what companies expect.



***WordPerfect Corporation***

*Contact: Ms Cynthia Proudfit  
1555 North Technology Way  
Orem, Utah  
USA 84057*

*Tel: (801) 226-7654*

WordPerfect has a nonprofit licensing policy that allows licensed WP software owners to donate outdated or surplus software to agencies providing services to the poor or needy.

The owner of the software must write to WP Corporation, stating:

- the name of the agency to whom the software is to be given and a contact name,
- a brief description of the purpose and activities of the agency, and
- the software product and license number.

If the request is acceptable, WP Corporation adds the organization to its database, issues them a new license number and permission to use the product free of charge.

At present, WP Corporation also provides discount certificates for upgrades and new products. This policy is reviewed every six months. They do not foresee any major changes at the this time.

This means that the organization has to find companies that have such product available. Get in touch with local software dealers to see who's been buying upgrades. Arrange with local newspapers to print stories. Design flyers to send out or posters to put up in stores or on company or community bulletin boards asking for potential donors.

***Lotus Development Canada Limited***

*Contact: Sue Dipoce, Corporate Donations  
Suite 1700  
10 Bay Street  
Toronto, Ontario  
M5J 2R8*

*Tel: (416) 307-3615*

*Fax: (416) 364-1547*

Lotus will donate "one copy of any product per organization per year", according to their printed eligibility guidelines. "You are encouraged to determine which product will be most useful to advancing the purpose of your organization." The programs offered include Lotus 1-2-3, Freelance Graphics and AmiPro (word processing), for either DOS or Windows.

In addition, Lotus allows the free transfer of 'retired' programs to nonprofit organizations. The owner of a program that is no longer used may apply to transfer ownership to a nonprofit organization of his or her choice.

Applicants must be registered charitable organizations and provide their Revenue Canada number.

Lotus provide forms to make either kind of request. Write or fax to ask for them. Use the same active approach as suggested for WordPerfect. Your organization has to initiate the contact with potential donors.

### ***Polaroid Canada Inc***

*Contact: Henriette Goessele, Public Relations Coordinator*

*350 Carlingview Drive*

*Rexdale, Ontario*

*M9W 5G6*

*Tel: (416) 675-3680*

*Fax: (416) 675-3228*

Polaroid has developed a series of Fundraising Kits to meet the incredible demand for donations. The kits include a camera, packs of film and cardboard frames. Prices for the packs range from \$250 to \$935. Polaroid suggests that each mounted photo costs the organization about \$1.25 and can be sold for up to \$4.00.

Their handout includes tips on where and how to use the packs, and ways to maximize the sale of the pictures. Since a camera comes with each pack, it can be raffled off at the end of the event. Everyone who buys a picture fills out a ballot to win the camera and one or two packs of film. This is a great way to gather names for future fundraising.

Orders can be sent by fax and are delivered through local camera shops. If organizers want more mounts and/or film, Polaroid suggests they talk to the local dealer to whom the initial order is sent about further discounts. "In this way, both parties are looked after --- the dealer with repeat business and the fundraiser with a discount on film and mounts."

### ***Kwik-Kopy Printing***

*locations across Canada*

Kwik-Kopy locations are franchised, and their decisions depend on the profitability and good will at each location. Each owner makes his own decision on donations based on a 'marketing perspective':

the funds available,

the market to be reached by the product,

the appeal/impact of the organization,

the prominence given the printer's name and address, and

the recognition expected (plaques, signs, photos, letters for store wall).

### ***The Printing House***

*Contact: Janice O'Born, Chairperson, Charitable Office*

*15 Stanley Avenue*

*Toronto, Ontario*

*M6J 1A4*

*Tel: (416) 363-5296*

*Fax: (416) 363-0300*

TPH Group supports local organizations that benefit the communities they serve, both registered charities and nonprofit organizations, with particular interest in children. Only one application per organization is considered each year. Their pamphlet includes an application form.

Gift vouchers in various denominations are given to organizations meeting their guidelines. They can be redeemed at local outlets.

In return, they require "appropriate recognition as a corporate sponsor through the use of our corporate logo and 'The Printing House' designation."

# Chapter 9

## Major Individual Donors: Rich and Not-So-Rich People

PEOPLE CAN GIVE RELATIVELY LARGE AMOUNTS OF MONEY TO YOUR GROUP without being fabulously wealthy. For you, a gift of a few thousand dollars, or even a few hundred may have significant impact.

For the purposes of this chapter, the definition of 'large gift' will remain open. Start with whatever amounts the top 20% of your current donors (if you have any) give. Consider who may be worth approaching with the one technique that is more effective than any other: the *face-to-face* request.

Only gifts from individuals (or couples) will be discussed in this chapter. The techniques outlined here do not (repeat: do not) necessarily work with institutional givers such as companies, foundations and governments.

The task of soliciting large donations from individuals causes most people great anguish. Many are convinced that they personally could not successfully request a major personal contribution, no matter how much training they have. Sometimes they are right.

Some don't believe anyone who could accumulate enough money to make a donation could share their values. They are often angry at rich people. This may be based on political analysis, hard personal experiences or simple jealousy. It is important to be able to put this feeling aside if you hope to gain support.

Fundraising is not a revolutionary act, as author and consultant Joyce Young has said. You may want to change the system. But the secret of getting money from very wealthy people in our society is to understand as best you can how the political and economic system works. Not to figure out how it should work, but how it does work today. Then utilize this to the advantage of your cause.

There are a minority of people in this country, and in any community, who have more money and more power than the people you are trying to help. The question is, how can you gain access to that money and power, to make positive changes.

### Profile of Major Individual Donors

Major donors do have more money than the average. Although there are a saintly few who live quite frugally and give away large sums, it is often easier to recognize potential major donors by their income and lifestyle than by their donations. On the other hand, people with very ordinary incomes and lifestyles have given donations of \$500 to \$1,000 or more to many groups.

Major donors are not limited to the handful of super-wealthy families with famous names. They do not even have to be what is commonly thought of as rich. An income of \$75,000 a year and up qualifies a person as rich in Canada. In some communities

considerably less will do. Many people who earn their living in professions and middle management are sufficiently wealthy to help your organization. Two income families may well have the surplus income to share.

Many people who are now major donors, even among the truly wealthy, had idealistic youths. They may still have strong ideals which they have only partially put aside to get ahead in their fields. They may still feel strongly about causes, and want an opportunity to help.

Others inherited their money and shouldn't be tainted by the methods that their ancestors used to get it.

Major donors do give money away. Perhaps they have a sense of *noblesse oblige*. Others have personal reasons to give to your cause, perhaps because they, or people they love, are disabled, or involved in the arts, or affected by pollution or urban crime, or whatever is the focus of your group. Perhaps they simply agree with you, at least in part.

They are not always famous. Most have low profiles, so you will need help to find them. For everyone whose name appears on a building there are many more who give without public recognition.

People with money like to have fun, just like everyone else. The richer they are the more they can spend on having fun, as John O'Leary points out. That is why so many nonprofits have gala special events that successfully charge high admission prices.

They like political power and influence. They may be active in party politics. Often this is seen as a necessity to preserve their way of life. They may also use politics as a method to make useful contacts. Ask friendly politicians to help identify potential major donors.

They are incredibly busy. A stranger may have to book six months in advance to get their time.

They are decisive. A major individual donor considering giving money to a nonprofit doesn't have to take three months or more to clear it with a board. A major individual donor can pull out a chequebook and contribute on the spot. They can be a source for quick cash --- which is invaluable in moments of crisis or unforeseen opportunity.

Wealthier major donors often do not have the fear of fundraising that so many other people have. They talk about money all the time, whether discussing business, consumerism, or charities. They often give to each other's causes.

The richer they are, the more they form a close community. They live together, go to school together, marry one another --- especially in Toronto, Vancouver, Halifax, Montreal and other larger centres. Even when urban renovations result in very mixed communities, there is not usually much inter-mingling between neighbours in wildly different income brackets.

They are virtually the same in French or English.

### *Where do generous people live?*

Manitoba and PEI had the highest percentage of contributors in 1994 for the fourth consecutive year, according to a Revenue Canada study. In both provinces, 33% of tax-filers claimed charitable donations. The highest percentage of tax-filers donating were located in Rockliffe, Ontario (a wealthy part of Ottawa), where 47% of tax-filers claimed a charitable donation.

The average Canadian claimed charitable donations totaling \$586, up from \$567. Half of contributors gave \$130 or more, unchanged from 1991. This is the median. The higher average is explained by a small number of Canadians who contributed very large amounts.

The average donor was 48 years old. However, the age group with the highest donation is the 55-to-64-year-old category, giving an average of \$1,500. Those over 64 were second highest, at \$840. Although the data were not available, it seems likely to confirm that the oldest group gives the most as a percentage of income. Canadians under 35 gave the least, an average of \$300.

Newfoundlanders had the highest median contribution: \$240. This was \$100 greater than the national median. This proved an old theory true, yet again: the poorest people give the most. The numbers bear this out with minor variations. Newfoundlanders had almost the lowest median income among donors, at only \$26,600, yet they gave both the highest median donations and the highest percentage of their income to charity at .9%. Donors from PEI had the lowest income, at \$26,300, and gave second highest, .84% of their income.

The donors with the highest incomes were in the Northwest Territories and the Yukon, and they gave roughly the lowest percentage of their income. In actual dollars, however, the median donations were about the middle of the pack.

People in rural areas again proved the most generous. The top 12 donation areas were all rural. Cardston, Alberta, a community with a large Mormon population was the most generous, with a median donation at \$2,010. Next were Raymond, Alberta, and Blumenort, Alberta, tied at median donations of \$1,915. Caronport, Saskatchewan, gave \$1,865 and Hepburn, Saskatchewan, \$1,600.

Quebec was the province with lowest median gift at \$90. This may be a measure of attitudes to income tax more than to charity. The procedure for claiming charitable tax credits is more complicated in Quebec than any other province. Reportedly one in four Quebecers do not even request tax receipts for donations.

Despite Quebec's overall low rating, Hampstead, Quebec, a region of greater Montreal, had the highest median donation of all cities, \$1,040. Winkler, Manitoba (\$960), Steinbach, Manitoba (\$860), Rockliffe, Ontario (\$750), and Coaldale, Alberta (\$590) came next, in that order.

Province	% of tax-filers as donors	Median Donation	Median total income of donors	Donations as % of income
Newfoundland	23	240	26,600	.90
Nova Scotia	29	170	30,700	.55
Prince Edward Island	33	220	26,300	.84
New Brunswick	27	210	29,500	.71
Quebec	26	90	32,200	.28
Ontario	32	160	35,400	.45
Manitoba	33	150	29,600	.51
Saskatchewan	31	210	28,300	.74
Alberta	27	140	34,200	.41
British Columbia	29	130	34,000	.38
Northwest Territories	17	160	55,300	.29
Yukon	21	110	45,000	.24

The highest increase in average donation was in the Northwest Territories and British Columbia.

Breaking the study into smaller groups, the postal Forward Sortation Area (FSA) with the highest median contribution, of \$1,230 was the M5N area of North York. North York also ranked fourth and seventh, with M4R and M4N.

Quebec had three of the top 10 FSA's, despite its overall low giving level. These were H3X in Hampstead, H3Y in Westmount, and H4V in Cote-St-Luc.

Breaking it down even finer, Revenue Canada looked at individual postal walks. The most generous were in Toronto, North York, and Hampstead. An unspecified postal walk in the M5P area had a median contribution of \$2,790, and a postal walk in the M6B area had \$2,385.

### *What about the really rich?*

Although major donors do not have to be rich to be generous, odds are you have a connection to someone who is rich. "The fact of the matter is that there are a lot of wealthy Canadians", reported the *Financial Times of Canada* on 29 May 1993.

A wide-ranging study of wealth a couple of years back by the Toronto-based accounting firm of Ernst & Young found that some 427,000 Canadian households ranked as millionaires. That's 4.5% of households. Of them, 268,000 have \$1 million to \$2 million in net assets; and 18,900 have more than \$5 million.

As for the really rich, some 500 households were in the \$50 million to \$100 million range and another 135 households had \$100 million plus.

Many of the millionaire households in the \$1 million to \$2 million range would not consider themselves wealthy.

In the next decade, the number of households in the \$1 million to \$2 million is expected to grow by a whopping 201%. And “a large number are expected to make it over the \$5 million threshold, where the number of households is projected to grow more than sevenfold.”

### *Ask a CEO*

“Almost all CEO's have volunteered their personal time to a charitable cause at some point in their lives and many are current directors of various charitable groups or foundations,” according to a poll taken by the Angus Reid Group in 1992. In terms of their own personal financial commitment to charity, CEO's tend to be strong supporters and two in five give more than \$3,000 of their own dollars to charities each year.

### **How do you get Major Individual Donations?**

The key is to get one of ‘them’ to do it for you.

The first trick, perhaps the only trick, is to find your first major individual donor. One person who travels in the right circles and is willing to help is all that it takes to start, as John O'Leary pointed out.

### *Where do you find the one who will get you started?*

Check your donor list. You may be surprised to find the name of a supporter who is well to do. She or he need not necessarily be rich.

Ask your board and volunteers to check their personal networks. Are there any people you went to school with who have the income to be a major individual donor? Did any of your relatives marry rich?

Make a list of 20 influential people in your community. Choose people who may have a connection to your cause, if possible. See if you have any routes of access to these 20 people.

Do you belong to the same church, community or social organization as any major donors? If not, could you join?

Politics is a good source. Major donors get involved, and so can you.

The least effective way to contact a major individual donor is a cold call. The richer they are, the worse this is. You are unlikely to do well by phoning to say “Hello, this is John O'Leary. Is Conrad Black there? No? Could you tell me when he'll be there? Could you ask him to call me?” Surprisingly, it does sometimes work, though.

If you must make a cold call, write a letter in advance indicating who you are, what you are calling about and when you plan to call, so s/he is forewarned and knows your name at least. If they are not interested, they will reject you faster --- which saves you from wasting your time.

If you are persistent, you may eventually get an audience, or at least an opportunity to speak to an assistant. This certainly works with politicians, although it may not work as well with private citizens. Please note, however, that the cold-call method is not recommended.

### ***Politicians as a working path to major donors***

*Aspiring politicians* are among your best prospects. They have an immediate reason to help a good cause like yours. They want to be able to show how they care by their involvement in the community. Many have money. Most at least know people who have money. Major donors are essential to finance most election campaigns.

*Politicians who have been elected* are too busy. One who is still trying to break in to politics is more likely to work hard making friends everywhere.

Politicians in office may help if you call and say you are seeking an opportunity for mutual support on points you both agree on, not a protest on the points you still disagree on. They may well be willing to host a breakfast or reception on those principles. Later, you may even find them more approachable on the points you do not agree on.

*Opposition leaders* (especially at the provincial level) are good for this. Often they have difficulty finding public platforms where they can be seen to be doing good. If they are elected later, they may remember you warmly.

The *Lieutenant Governor* is a possible host. Although s/he can't be partisan, charity receptions are part of the job description.

### ***What to ask a Major Individual Donor you haven't met***

Don't ask anybody you don't know personally, unless there is absolutely no one better. Take your most influential volunteer with you.

Do not ask for a donation right off. It is too easy for a donor to say 'no'.

"If you want money, ask for advice. If you want advice, ask for money," says author Joyce Young. (See Resources for information on her book.)

Explain that you are trying to reach out for support in new circles, and need suggestions on how to do so.

Request time to explain your cause (a half-hour to an hour at most). Ask for help in phrasing the appeal in a way that would appeal to the kind of people s/he knows. Ask for help in identifying potential supporters.

Encourage questions. Listen carefully to the good ideas that are shared. Don't argue.

If the prospect seems convinced, ask for a contribution for the aspect of your work the prospect liked best. This may take a second visit.

If you get a donation, proceed to the next phase: the major individual donor you do know.



### *What to ask of a Major Individual Donor who supports you*

Don't ask for another donation.

Ask them to help you on a specific task. Don't ask for an open-ended time commitment, such as serving on a board. Major donors are usually too busy. The project should be short-term with a goal that is easily in sight.

Ask one major individual donor to introduce your cause to her/his friends. Convince just one person, and s/he will give you access to a wider circle.

Best of all, ask them to do something that is fun, like host a reception, a luncheon or a breakfast. Tie it in with your project.

Ask if s/he will invite 10 friends to see your project and then come back to his/her house for drinks. If there's nothing to see (and don't underestimate the value of seeing your tiny, underequipped but clean and efficient office), invite them to hear about your work at his/her house.

John O'Leary gave the example of an inner city children's centre where they have a Spring Showcase each year. A church hall is rented and the kids perform ballet, dance, and do skits. Harmless fun for all, with no moralizing on the problems. Care is taken not to be maudlin or exploitive.

A politician who had just been defeated but wanted to run again was asked to host an evening for friends after the Spring Showcase. The politician and his wife made up the guest list of 30 people they knew. They organized the reception and paid all the costs. The children wrote the invitations by hand.

Financially, the event was a success, although the dollar total was not large. The politician went around and subtly twisted arms. About \$3,000 in cheques was raised on the spot that night.

More importantly, of the 30 invited, 27 people attended. Most had not even heard of the centre before. Now 27 potential new networks have been opened up. After the reception, a phone call was made to each guest to begin cultivating them for a second gift, and as a potential host for a similar reception.

The centre now does this twice a year. When they started, they had no budget, and survived only from month to month. Within a few years, they had four full-time staff and an annual budget of over \$180,000.

Here are additional tips on how to approach major donors, and responses to concerns that people have expressed:

At the reception, a short discussion on the situation is important. Your major individual donor guests may not have the knowledge base to understand a situation beyond their experience, unless you explain.

The event must be kept positive and enjoyable. The guests are not to be shocked with the difficulties faced by the people they are asked to help. The children (or persons with disabilities) are not to be used in a crass, exploitive way.

Remember that the guests come, not because of the project or the organization, but because of who invited them. An influential friend says "I'd like you to come and hear about a project that I find exciting." The network makes it work, not the issue. The implication for fundraising is that cultivating your donors is vital to success.

A breakfast meeting is especially good. People are more available at that time. A restaurant might be willing to give you a discount (or even free food) for the opportunity to serve a high-powered group.

An advocacy group's interests may be opposite to the politicians' or to the companies' which provide major donors' livelihood. If that is the case, obviously, these particular major donors are not the first people you contact. You may be able to find others who do not have conflicting interests, and who may be open to supporting you. It is dangerous and wrong to assume that merely having money means a person cannot understand your issues, or is opposed to you.

You may be surprised at the unexpected sources of support that can be found. In the US, Joan B Kroc, who inherited the McDonald's fortune, has reportedly put hundreds of thousands of dollars into the peace movement.

Helping you can be as valuable to ambitious major donors (especially aspiring politicians and young executives) as it is to you. It gives them a good reason to make contact with other powerful people around safe issues. Later, they may call to talk about business, or votes, or donations to the campaign, but you can provide them with an excuse they need, as well. It also provides them with a sense of meaning and satisfaction.

This opens the door in a small way. Once you have a few contacts, it is possible to begin developing warmer relationships, or wider circles.

Don't tell people you want help in fundraising. Ask them to help make the world, or at least your community, a better place. Give them an excuse to feel enthusiastic.

You don't have to put them on your board, if you don't want to. In fact, you probably shouldn't, you don't want them wasting time talking about your organization's personnel issues, your office arrangements or the long-range plan. You want them to meet once a month on Monday morning to talk about money, according to John O'Leary.

Not everyone will agree to help. Just because three out of five people say no when you first ask, don't give up.

People may decline because of obligations to larger nonprofits. If it seems appropriate, point out how much more satisfying it will be for them to serve a lean organization where they can play a big part and see real progress, compared to a large established group where they will be just one more person. An organization that is already successful won't value them as much as you will.

When they do help, thank them honestly for their efforts. Recognize the work they do in a personal way. A framed photograph of people who have been helped, a warm letter, or public recognition can work wonders.

For a more detailed exploration of major-donor fundraising, request a free copy of *Face to Face: How to Get Bigger Donations from Very Generous People*, available free from the Voluntary Action Program. See the resource section for more information.

# Chapter 10

## Taxation Issues

### Tax-Deductible Donations

CHARITIES ARE OFTEN PUZZLED ABOUT WHAT IS AND WHAT ISN'T tax-deductible. This is can be made worse by listening to the advice of a lawyer or accountant who may be extraordinarily well informed about other areas, but is not up to date on the peculiarities of charity tax law. Here is a quick summary.

The comments that follow must be taken with the understanding that the author is frequently in touch with Revenue Canada on charity regulations, but is not a lawyer, accountant or tax specialist. For expert sources of advice, see the section on More Information, at the end of this chapter.

Registered charities can give donors a receipt that can be used for a tax credit. All gifts of money are receiptable. So are most gifts of goods. Most services are not. Most purchases (such as a book, poster or tuition fees) a donor makes from a charity are not.

Memberships are deductible unless they offer a material benefit, such as free goods or services or admission that is not available to the public. Minor rewards for being a member, such as a low-cost newsletter, or invitations to special events are acceptable, and if that's all the donor gets, the full membership fee is considered a tax-deductible donation.

### *Gifts of goods in kind*

Charities can give a tax receipt for gifts of goods.

*Donations of goods* are eligible for charitable tax receipts, just like cash. *Services* are not.

Gifts of *goods of no real market value*, such as used clothes, are not eligible for receipts.

Gifts of valuable goods can be receipted at fair market value. No exchange of cheques is necessary.

Base the tax receipt on current retail value, regardless of the price originally paid. A donor who bought supplies at wholesale prices can receive a tax receipt for them at full retail value. If the goods are worth more than when purchased, the donor may claim the current value. However, capital gains taxes may apply, and the donor would legally have to declare the difference between the wholesale and retail value as income.

If the goods are worth less than when purchased, the donor is only eligible for a tax receipt at the current market value.

Gifts of goods cannot be double-deducted. If a donor has already deducted the cost of the goods for business purposes, a second deduction cannot be claimed for donating them to charity.

However, it is not the charity's responsibility to determine if the donor has already claimed the goods, but use your common sense" says Revenue Canada. The charity may issue a tax receipt in good faith. It is the donor's responsibility to follow tax laws.

Art, antiques and unusual goods --- These may be hard to evaluate for fair market value. Ask one or more licensed appraisers to determine the real current value. Certified cultural property has its value established by a cultural review board, not the recipient. This is a specialized area, and you should contact Revenue Canada.

### *Services are not tax-deductible*

Services are never eligible for a tax-credit receipt, according to Revenue Canada.

Charities can, of course, pay the person. Then the person can give the money back to the charity and receive a receipt for tax purposes. This is perfectly legal.

While it is legal, it is seldom worth the trouble. The problem is that the person paid must declare the money as part of income, and this may increase her or his taxes. Few people find it worth the trouble to do this.

If you repay the expenses a volunteer incurs doing charitable work, these payments are not considered taxable income. The volunteer could then donate this money to the charity, and receive a tax receipt for it.

### *When is it a good or a service?*

Determining what are services and what are goods can be confusing.

Computer programming, for example, is a service, according to Revenue Canada, and therefore not eligible for a tax receipt. However, a gift of a computer program that is sold as a commercial product comes under the heading of goods, and is eligible. For clarification, call Revenue Canada.

Donors may not need tax receipts.

Businesses do not necessarily require an official charitable tax-credit receipt.

No law requires that charities issue receipts for donations --- they are allowed to but not obliged to do so.

The business may, however, want a letter for their records acknowledging that the charity received the donation, even though this is not suitable for claiming a charitable tax credit.

Why wouldn't they need an official charitable tax receipt?

- Businesses may deduct their support in one of two ways, either as a promotional expense or as a charitable donation.
- Business may also be donating goods that have already been depreciated or written off for maximum tax deductions. They can't deduct them twice.
- Donors of all types may have used up their maximum allowable charitable tax credits (which is 20% of income).
- Or they may be among those who believe that donations should be made because of their beliefs, not for tax incentives.

Whatever the reason, if no tax receipt is issued, Revenue Canada's 80/20 disbursement quota (see below) does not apply to the charity. In provinces which regulate charities, local rules must be followed, and Revenue Canada rules limiting advocacy work by charities still count.

Donors can contribute in any way they wish if no tax receipt is issued. Registered charities can issue tax receipts.

The rules here do not apply to groups that cannot issue tax receipts.

In addition to registered charities, registered amateur athletic groups, certain arts groups, municipalities and a handful of other organizations approved by Revenue Canada can issue official tax receipts.

### **In-Kind Donations and Revenue Canada's 80/20 Rule**

Not issuing a tax receipt gives the charity more freedom.

Revenue Canada requires a charity to spend 80% of the cash value of receipted donations on *program* (not administration or fundraising) in the following year.

This rule does not apply to donations for which no tax receipt is issued, although the charity must meet the criteria overall.

That means if a charity issues a tax receipt for \$1,000, it must spend at least \$800 on the charity's programs in the next year. This is true whether it issues the receipt for a gift of \$1,000 in cash or in kind.

Don't assume, though, that a computer, for example, must always be an administrative expense. If the charity's mandate is training people how to use computers, and the computer is used exclusively for training, then it is a program expense. If the charity educates people, and the computer is used only to prepare educational materials, it is a program expense. If the charity uses it to do the bookkeeping, this is administration. If it is used for a little of each, it may be allocated proportionately.

True cost-accounting (discussed earlier in this book) calls for an appropriate share of all administration and fundraising expenses to be allocated to programs, not left separated by themselves. This is an excellent way to explain to the donors that no charity can operate without overhead, it is essential, not a frill.

However, Revenue Canada requires that charities keep administration separate from programs, to prove that at least 80% of receipted income was spent on programs. So for this purpose, refer back to the line budget.

### **Is it necessary to be registered?**

Without a charitable registration number it is a little harder to raise money. These are issued by Revenue Canada.

Foundations only give money to registered charities (with a few rare exceptions, usually focused on scholarships to attend universities which in turn are registered charities).

Businesses like to see that you are registered, because it reassures them that you are a legitimate organization. Businesses do not require a tax receipt to write off their contribution to you, however. They can deduct it as a promotional expense.

Not everyone makes use of tax receipts. Less than one out of three Canadians claimed charitable tax credits on their income tax returns in 1992. They may be lazy, sloppy, or outright opposed to tax benefits because they believe gifts should be made without material reward.

One direct mail campaign offers donors the choice of giving their funds to the advocacy side of the organization (which is not tax deductible) or to the educational side (which is). Over three quarters of the donors choose to give their money to the non-tax-deductible section. It is reasonable to assume that many of the rest would have given even if the tax receipt had not been available, but since it was, they opted for it.

If your group is not a registered charity, and a donor wants a tax receipt, you can funnel gifts through another organization which is registered. The donation must show up in their books, of course, as income, and as a project expenditure to your group. Of course the 'front group' is legally responsible should there be any problem (such as your group using the money for non-charitable activities like personal gain).

### More Information on Tax Deductions

Revenue Canada offers a special charity 'Hot Line' service to provide official answers on questions like these. Consult them by calling toll-free to 1-800-267-2384. This free information line allows the caller to remain anonymous, unless the questions you ask are very specific.

Revenue Canada has also published a series of official Interpretation Bulletins explaining the regulations. They are free from any Tax Office.

An excellent book called *Canadian Taxation of Charities and Donations*, by Arthur BC Drache, QC, is updated regularly with supplements. See the resource list at the end for the publisher's address.

*Thanks to Judy Torrance of the Revenue Canada Charities Office who reviewed and corrected this section in November 1993.*

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*This summary provides a general overview for information only. The author is not a lawyer or an accountant, and is not a representative of the government. Please consult Revenue Canada for complete and up-to-date regulations.*

*For more information*

*Free government publications:*

Gifts in Kind (#P113)

Gifts in Kind to Charity (#IT-297)

Deductible Gifts and Official Donation Receipts (#IT-110)

# Chapter 11

## Should You Use Fundraising Consultants?

AN ORGANIZATION STRUGGLING TO FIND ADEQUATE FUNDS AND ALREADY overburdened with other work, is likely to consider hiring a consultant to help with the fundraising. This can solve problems, or make them worse.

Good fundraising consultants will help the organization develop greater strengths to continue fundraising after the consultant is gone.

Bad consultants will make you dependent on them for future fundraising, advocating only the techniques you can't do on your own.

Good consultants will tell you honestly how much work is expected of you, and what the potential problems will be.

Bad consultants will promise that you will have little work and no risks. They can only do this by charging exorbitant fees.

### When to Hire a Consultant

- When you don't know what to do
- When you do know what to do but the board or staff won't listen to you
- When you know what you want the consultant to do
- Before the situation becomes desperate
- Before the plans and printed material are finalized

### How Do You Pick a Consultant?

*Before you begin shopping around, prepare your criteria so that you can evaluate and compare.*

Answer as many of these questions as you can, and add others:

- What do you see as your main problems/strengths?
- What would you like the consultant to do?
  - 1) Show you how to raise money?
    - a) how much?
    - b) When is it needed?
    - c) For what purpose?
  - 2) Train volunteers and staff?
    - a) in what areas?
    - b) how many people?
    - c) when needed?
  - 3) Handle a publicity campaign?

- 4) Review printed materials?
- 5) Develop a fundraising strategy?
- 6) Other\_\_\_\_\_

- How much can you spend?
  - 1) on consultant's fees?
  - 2) on campaign expenses?

*Find out who's available by checking with:*

- the Canadian Centre for Philanthropy
- the Canadian Society of Fundraising Executives
- the National Society of Fundraising Executives
- other nonprofits, the United Way, a Volunteer Centre
- Yellow Pages
- ads in fundraising magazines (several are listed in the Resource section)
- contacts and friends

*Phone and discuss your general criteria with the consultant:*

- Ask if they've worked for any similar organizations. Which ones?
- Ask if they've worked on any similar problems.
- Ask for written material they may have on themselves.
- Narrow down the list.
- Prepare a brief orientation kit to explain what you want. Send it to a short list of consultants. It should contain:
  - mission statement
  - annual report
  - any brochures on your work
  - list of board members and what they do for you, and for a living
  - scope of the work you want the consultant to do
- Prepare interview questions that will help you compare the consultants' understanding of how to deal with your most difficult problems:
  - Does the consultant understand your special situation?
  - Who will do the work, a senior consultant or a less experienced junior?
  - How much does the consultant charge?
  - On what basis do they charge (% / hourly / fixed fee)?

**Should you ask consultants for detailed proposals?**

By all means, do ask for comments on your particular situation. Don't expect a lengthy proposal detailing how the consultant would solve your problem. This can involve a great deal of work. Don't try to use the selection process and the proposal as a way to get free advice on how to solve your problems without hiring the consultant.



### Check the consultant's references

Contact people who might know about the consultant, and ask about his/her faults as well as abilities. Discuss anything that might make your situation special. Contact people such as:

- previous clients
- your contacts
- Better Business Bureau

### You need a contract

Ask the consultant to develop a contract outlining your joint expectations. Be sure this protects you, not just the consultant. Have a lawyer look it over. Here are specific suggestions from Stan Melasky, a Toronto fundraiser:

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*Your contract should include at least:*

- *explanation of who does what, each party's duties and responsibilities.*
- *the prices for each service to be performed by the firm.*
- *a statement of how either party can terminate the contract.*

*The organization should have the following controls:*

- *approval of how your group's name will be used*
  - *timetables to be adhered to*
  - *prior review and approval of all materials, etc.*
  - *assurance all programs meet legal requirements of the country, province, etc.*
  - *ownership of newly acquired donors (the consultant should not keep the names and addresses, and should not use your list for another client without your permission).*
  - *provisions to resolve client-firm disputes, if any, perhaps through a pre-selected independent arbitrator.*
  - *prior knowledge and approval of costs (above a set limit) before work is ordered.*
  - *definition of all expenses that will be reimbursed.*
- 

### Should you pay a percentage commission?

The Canadian Society of Fundraising Executives (CFRE), the professional organization for both staff and consultants, has a Code of Ethics which prohibits commissions for fundraising. It suggests that you should instead pay on an hourly basis, or a fixed fee for a specific piece of work. Several similar organizations in the US have taken the same stand.

This is done to protect nonprofits from the handful of shady itinerant 'bucket shop' operators who prey on desperate groups unfamiliar with good practice.

These organizations may offer to produce and promote a complete show for you. They usually hire low-paid telephone solicitors to sell tickets to your donors, to their own list of people who have bought tickets in the past, and to the public. Often donors are asked to become sponsors so that disabled children can be brought to see the show. Using the same techniques, ads in a program are sold to local businesses. They may offer to do a direct mail campaign, too.

Companies of this sort promise to pay all the expenses and take all the risks. In return, the company receives a percentage of the income as its commission. Administrative expenses are often added, in addition to commissions.

A commission may seem attractive, at first, because it reduces the risk to the group. If the consultant doesn't raise money, the consultant doesn't get paid.

Perhaps the most important factor against commissions is that many donors become irate at the idea that a consultant will get a percentage of what they might give. They may refuse to give at all.

Commissions also reward any techniques that get donations during the term of the contract. These may not improve the nonprofit's long-term strengths. In a commission structure, there is no payment made to cultivate the donors who may not be able to give much now, but could contribute generously in the future. There is no incentive to train the group's own personnel in effective fundraising techniques.

Consultants in this situation may only pick organizations that they can exploit for the maximum dollar return. Those that may be more controversial, or have ethical standards that would limit certain techniques of fundraising are avoided.

### **What a consultant can and can't do**

A consultant cannot make policy decisions, or determine strategy. The board must do that, taking the consultant's recommendations into account. Ultimately, the board is responsible for the campaign, and must be able to reject the consultant's advice. The board must have a sense of ownership for any campaign to work.

Most face-to-face fundraising with individuals and groups expected to give large amounts should be done by volunteers, not a consultant. (It should not be done by a staff person either, although a consultant or staff person can accompany a volunteer as a back up resource.) Ideally, a consultant should be invisible to all donors except the board, serving as a guide, trainer or creative source only.

Consultants and paid help cannot substitute for legions of volunteers on labour-intensive work.

A consultant can recommend strategies and structures to allow work to be done efficiently.

A consultant cannot reveal your secrets to others, or tell you the inner workings of other groups' plans. A consultant can share the lessons gained from intimate knowledge of many different campaigns.

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## More Information on Consultants

The following short articles (and others) are available in the library of the Canadian Centre for Philanthropy.

*Engaging a Fundraising Consultant*

Gordon L Goldie, Consultant

*How and Why to Hire a Consultant*

Barbara H Davis

*The Role of Professional Fundraising Consultants*

Henry Labatte

YMCA of Metropolitan Toronto

*How to Select a Planning Consultant*

Ontario Ministry of Citizenship and Culture

*Job Descriptions for Fundraising Positions*

A collection from various charities

*Description of a Fundraiser*

Grant MacEwan Community College

*Hiring the Development Officer: Planning is the Key*

Robert J Berendt and J Richard Taft

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# Bibliography

## Fundraising Resources

HERE IS A PARTIAL LIST OF RESOURCES YOU MAY FIND USEFUL THERE ARE many others. A listing here is not an endorsement. Being left out is not condemnation. Please tell Ken Wyman if your favourite is missing.

Please contact the organizations listed for prices and current information. They may charge extra if your payment does not accompany the order.

### *The Canadian Centre for Philanthropy (CCP)*

*Suite 200, 1329 Bay Street, Toronto, Ontario M5R 2C4*

*Tel: (416) 515-0764 / Fax: (416) 515-0773*

CCP covers all aspects of organizational management as well as fundraising. Their extensive reference library is open to the public from 10:00 am to 4:00 pm, Tuesday to Friday (with over 1,500 volumes in Toronto, smaller libraries at satellites in Winnipeg and Edmonton). Annual conference/seminar in late fall. Special seminars on a variety of topics. Monthly newsletter. Offers computerized foundation searches. Membership fees and charges apply to services.

CCP's published materials include:

*Planning Successful Fundraising Programs* by Ken Wyman. How and when to plan, who to involve, how to find time. Includes 'homework' exercises and checklists that you can use to improve your planning process now.

*Establishing a Planned Giving Program: What You Need to Know to Get Started* by Aubrey Barfoot. The first Canadian beginners' guide. Explains different methods, where to find donors. (Currently out of print.)

*Development and Direction for Boards of Directors* by John E Tropman. Learn a revolutionary and effective method for running board meetings that results in high-quality decision-making. Exercises to evaluate your board and its operations.

CCP also publishes *The Canadian Directory to Foundations*, which gives details of available funding, cross-indexed by subject, geography, and individual names. The *Directory* outlines the criteria and interests of every Canadian foundation and many American foundations that give to Canadian charities, including the name and address of the contact person.

The *Directory* shows how much was given, to which charity, and for what purpose. There are excellent articles on how to get foundation grants. Read these before submitting any applications.

*The Voluntary Action Program of the Department of Canadian Heritage (VAP)*

Ottawa, Ontario K1A 0M5

Tel: (819) 994-2255 / Fax: (819) 953-4131

VAP produces a wide variety of free materials for nonprofit organizations. A number are listed on the following pages. Because of its small budget, quantities are limited to one per organization. Write them for those publications, or an up-to-date list of all publications.

**NATIONAL CERTIFICATE PROGRAMS**

*Distance education, home-study or in-class instruction courses:*

***Voluntary and Nonprofit Sector***

***Management:***

University of Victoria  
Simon Fraser University  
Mount Royal College  
Grant MacEwan College  
University of Manitoba  
Laurentian University  
Guelph University  
McMaster University  
University of Western Ontario  
York University  
Ryerson Polytechnic University  
University of Ottawa  
Université du Québec à Montréal  
University of New Brunswick  
Dalhousie University

***Fundraising Management:***

Vancouver Community College  
Okanagan College  
Grant MacEwan Community College  
Ryerson Polytechnic University  
Algonquin College of Applied Arts  
and Technology  
Laurentian University  
Cambrian College  
Cabot Institute of Applied Arts and  
Technology

***Fundraising Management Certificate Course:***

Humber College  
Continuing Education Department  
205 Humber College Boulevard  
Rexdale, Ontario M9W 5L7  
(416) 675-3111  
Evening courses in downtown Toronto. Co-sponsored by the Canadian Centre for  
Philanthropy.

***Other courses:***

Check with colleges, universities, the United Way and other public groups.

## STARTING AND RUNNING A NONPROFIT ORGANIZATION

### *Community Action*

PO Box 448

Don Mills, Ontario M3C 2T2

(416) 449-6766

"A news journal for people in community service organizations" published 22 times per year. Among articles and job ads, it reports grants given by foundations and government (mainly Ontario). Lists interesting new publications.

### *Fighting for Hope: Organizing to Realize Our Dreams*

by JN Kuyek

Black Rose Books

3981 Boulevard St-Laurent

Montreal, Quebec H2W 1Y5

(514) 844-4076

Practical ideas on community organizing, forming groups, holding meetings, planning, funding, and community economic development.

### *The F-Word: a New Look at Fundraising for Women's Groups*

by Judy Liefshultz of the Greater Victoria Women's Shelter Society

Voluntary Action Program

Things learned and unlearned during eight months of work with women's service workers and volunteer board members. Free

### *Forming and Managing a Nonprofit Organization in Canada*

by Flora MacLeod

Self-Counsel Press

2nd edition, 1991

1481 Charlotte Road

North Vancouver, British Columbia V7J 1H1

(604) 986-3366

ISBN 0-88908-962-0

### *Canadian Glossary of Fundraising Terms*

by John M Bouza, CFRE and Doris M Smith

John Bouza & Associates

Suite 202, 16 Beechwood Avenue

Ottawa, Ontario K1L 8L9

Tel: (613) 744-7711

Free: 1-800-387-4020

Fax: (613) 749-9449

More than 400 fundraising terms defined and cross-referenced. Clear and concise. \$9.95 + \$2.00 shipping.

***Fundraising for Nonprofit Groups***

*by Joyce Young*

*Self-Counsel Press*

*1481 Charlotte Road*

*North Vancouver, British Columbia V7J 1H1*

*(604) 986-3366*

Written for grassroots organizations. Must reading. Short, easy to digest.

***Fundraising For Stability: Strategies for Community Fundraising***

*by Robert Doyle and Catharine de Leeuw*

*Social Planning Council of Metropolitan Toronto*

*Suite 1000, 950 Yonge Street*

*Toronto, Ontario M4W 2J4*

*(416) 961-9831*

Good book on general fundraising. Understands the community perspective. Includes principles, planning, sources of support, preparing a proposal, innovations.

***Fundraising with Life Insurance***

*by Michael Mears*

*Voluntary Action Program*

The case for life insurance as a largely untapped resource and a potentially valuable component of a diversified funding base. Free.

***Money, Money, Money C How to Get It!***

*by T Ouellette*

*Alberta Council On Aging*

*Suite 501, 10506 Jasper Avenue*

*Edmonton, Alberta T5J 2W9*

How to incorporate and register as a charity, market your project, write proposals for government and foundations, plan special events and more.

***Recruiting Volunteers for Difficult or Long-Term Assignments***

*by Steve McCurley*

*Johnstone Training & Consultation*

*1310 Upper Dwyer Hill Road*

*RR 2, Carp, Ontario K0A 1L0*

*(613) 256-5516*

How do you recruit volunteers for jobs that require a long or deep commitment?

McCurley discusses redesigning the job, expanding recruiting efforts, team volunteering, apprenticeships and volunteers' need for psychological growth.

***Resources for Community Groups***

*Ontario Government Book Store*

*880 Bay Street*

*Toronto, Ontario M7A 1N8*

*(416) 965-6015*

*1-800-268-7540*

Useful ideas from the Ministry of Citizenship and Culture. Valuable anywhere.

*Shared Office Facilities: a Co-operative Model for Small Groups*

by Douglas Mc Kercher

Voluntary Action Program

Free.

*Volunteering: a Traditional Canadian Value*

by Janet Lautenschlager

Voluntary Action Program

A short history of volunteerism in Canada that shows what can be accomplished through the active involvement of ordinary citizens. Free.

## FEDERAL REGULATIONS

*Canadian Taxation of Charities and Donations*

by Arthur BC Drache, QC

Carswell Publishers

2075 Kennedy Road

Scarborough, Ontario M1T 3V4

(416) 609-3800

Expensive, but your lawyer and accountant should review it on any difficult matters.

Updated as new regulations are released.

*Revenue Canada*

*Charity Law Hot Line*

1-800-267-2384

Official answers for charities, nonprofits and donors on their regulations. You can call anonymously. Free.

*The Law and Volunteers*

by Mary T Satterfield

and Karla K Gower

Johnstone Training & Consultation

1310 Upper Dwyer Hill Road

RR 2, Carp, Ontario KOA 1L0

613 256-5516

This guide conveys the relationship between the engagement of volunteers in the delivery of service, the standard of services expected from them, and the consequences which flow from failure to meet the community standard.

## STATISTICS

*Donations to Registered Charities:*

*Revenue Canada Taxation Data for 1986 and 1987*

Voluntary Action Program

Available in limited quantities. Newer studies unlikely to be available because of cost controls. Free.



*Canada's Charitable Economy: Its Role and Contribution*

by Larry W Smith

Department of Economics, University of Waterloo

published by:

The Canadian Foundation for Economic Education

Suite 501

2 Saint Clair Avenue West

Toronto, Ontario M4V 1L5

Tel: (416) 968-2236

Fax: (416) 968-0488

Comprehensive analysis of donors, donations, volunteers, charitable organizations, etc.

\$14.50 including taxes and handling.

*Canada West Fact Finder*

The Canada West Foundation

Suite 810

400 Third Avenue SW

Calgary, Alberta T2P 4H2

Tel: (403) 264-9535

Fax: (403) 269-4776

Statistics on all areas of population, services, business and industry. Useful section on government income and expenditures by province. \$8.50 per copy. Also on-line with computer access to data. Call for details.

*Metro Wards at a Glance*

Metropolitan Toronto

Research and Special Studies Division

Station 1226

Metro Hall, 22nd Floor

55 John Street

Toronto, Ontario M5V 3C6

(416) 392-8766

Profiles of Metropolitan Toronto wards: population, labour force and employment, housing and households, and the top ten employers in each ward. All are free. Many communities offer similar services.

**GOVERNMENT SOURCES: WHERE TO GET MONEY**

*Easy Money: Your Guide to Government Giveaways*

by Hawley Black

Macmillan Canada, 1989

164 Commander Boulevard

Agincourt, Ontario M1S 3C7

(416) 293-8141

ISBN 0-7715-9971-4

*Handbook of Grants and Subsidies:  
Government Aid to Nonprofit Organizations*  
(updated looseleaf service)  
Canadian Research and Publications Centre (CRPC)  
33 Racine Street  
Farnham, Quebec J2N 3A3

Tel: 1-800-363-1400

**Health Promotion**

Health and Welfare Canada  
Jeanne Mance Building  
Tunney's Pasture  
Ottawa, Ontario K1A 1B4

(613) 954-8842

Updates on the Department's funding and other news. Ask for *Project Abstracts*, which lists where the money goes.

**MARKETING & PROMOTION**

*Be a Local Hero: a Guide to Volunteering in Toronto*

by Darby McNab

Whitecap Books

602 Richmond Street West  
Toronto, Ontario M5V 1Y9

Tel: (416) 777-0929

Fax: (416) 777-0928

List of organizations by area of interest, with a variety of time requirements, and cross-referenced to skills and age group. If this first edition is successful, updates and other cities will be considered. \$6.95 (plus \$1.50 shipping and GST).

**Getting Publicity:**

*a Do-It-Yourself Guide for Small Business and Nonprofit Groups*

by Tana Fletcher

Self-Counsel Press, 1990

1481 Charlotte Road  
North Vancouver, British Columbia V7J 1H1

(604) 986-3366

ISBN 0-88908-890-X

### ***Health Promotion Calendar***

*Ms Eva Dzilums, Publications*

*Ontario Hospital Association*

*150 Ferrand Drive*

*Don Mills, Ontario M3C 1H6*

*(416) 429-2661*

Annual lists of events and health charity 'days', 'weeks' and 'months' from September 1 to August 31.

List your health-related event free. Submissions should include:

- full name, title, address and phone number for organization and contact person,
- brief details of cause, purpose, theme and/or event(s) --- approximately 20 to 30 words total, and
- timeframe: date, day, week, month, etc.

Cost: \$11.50

### ***News Corporation***

*6th Floor*

*366 Adelaide Street West*

*Toronto, Ontario M5V 1R9*

*Tel: (416) 599-9900*

*Fax: (416) 599-9700*

Need help reaching the media? This commercial service rents up-to-date media lists for newspapers, radio, TV, magazines, and weeklies in 256 Canadian regions, or by 230 subject topics. They also distribute media information at relatively low costs.

### ***Promoting Volunteerism***

*by Janet Lautenschlager*

*Voluntary Action Program*

Strategies and approaches to promoting volunteerism. Includes list of reference tools on public relations, publicity, media relations, and public education and how to buy or borrow them.

Free.

### ***Publicity! How you can publicize volunteerism and National Volunteer Week in your community***

*by Janet Lautenschlager*

*Voluntary Action Program*

Free.

### ***Marketing Minds International Inc (MMI)***

*1560 Somergrove Crescent*

*Pickering, Ontario L1X 2J4*

*(905) 686-5427*

'Hands-on' strategic marketing program developed specifically for sport, recreation and community services. Packages and group discounts are available.

*Sources: The Directory of Contacts for Editors, Reporters and Researchers*  
Suite 402

9 Saint Nicholas Street

Toronto, Ontario M4Y 1W5

(416) 964-7799

Sent free to journalists semi-annually. You pay to be listed. Vital if you want writers to contact you when they are working on news or feature stories that involve you.

## ASSOCIATIONS AND REGIONAL OR LOCAL INTERESTS

### *Canadian Association of Gift Planners*

PO Box 1091, Station F

Toronto, Ontario M4Y 2T7

Canada's first professional body dedicated solely to the development and growth of gift planning. Their work may be too complex for most grassroots groups, but the members can help you think through wills, bequests, life insurance and other sorts of planned giving.

### Atlantic Canada

#### *Canadian Society of Fundraising Executives*

PO Box 3064 South

Halifax, Nova Scotia B3J 3G6

Membership Group. Chapters in several cities, especially in the Maritimes. Excellent newsletter. Seminars and monthly lunches.

### Ottawa

#### *Ottawa Fundraising Executives*

c/o Josephine Uguccione

York Mailings

Suite 309, 1228 Old Innes Road

Ottawa, Ontario K1B 3V3

(613) 745-2171

A group of professionals whose main function is fundraising. The primary purpose is professional development and networking opportunities for individuals.

#### *Ottawa Fundraisers' Network*

c/o Mr Mahonri Young

418 Rideau Street

Ottawa, Ontario K1N 5Z1

(613) 789-5714

The Network brings together fundraisers in the national capital area to exchange ideas and experiences for mutual benefit. Participates in courses at Algonquin College.

## Toronto

### *National Society of Fundraising Executives*

*Bill Hallett, President*

*YMCA of Metropolitan Toronto*

*15 Bredalbane Street*

*Toronto, Ontario M4Y 2V5*

*(416) 324-4123*

Membership group. Monthly lunches in Toronto. Good newsletter. Affiliated with major US group which publishes a journal, holds major conference.

### *Funding for Nonprofit Community Based Services:*

#### *How and Where to Get It*

*Municipality of Metro Toronto*

*Community Services Department*

*Policy and Planning Division*

*11th Floor, 55 John Street*

*Toronto, Ontario M5V 3C6*

*(416) 392-5223*

Includes federal, provincial, municipal grants, foundations and more.

### *Toronto Events Planner*

*99 Kimbark Blvd*

*Tel: (416) 782-3322*

*Toronto, Ontario M5N 2Y3*

*Fax: (416) 787-9299*

Will list free up to five events per organization per issue in their calendar. Also contains event ideas and lists of venues and corporate sponsors. A good way to keep track of what everyone else is doing and avoid conflicts. Not-for-profits may subscribe for \$25 per year (versus regular price of \$55).

## Ontario

### *Kwic Index to Your Ontario Government Services*

*Ontario Government Bookstore*

*880 Bay Street*

*(416) 965-6015*

*Toronto, Ontario M7A 1N8*

*or 1-800-268-7540*

One route to Ontario grants. Frustrating C but nothing better available.

### *Ontario Prevention Clearing House*

*Suite 603, 984 Bay Street*

*Toronto, Ontario M5S 2A5*

*(416) 928-1838*

Free newsletter and Funding Strategies Resource Package, which lists grant sources as well as recommended techniques. Other publications, too. Mostly for health organizations.

## Alberta

### *Resource Centre for Voluntary Organizations*

*Room 318, 7th Street Plaza Campus*

*Grant MacEwan Community College*

*10030, 107th Street*

*Edmonton, Alberta T5J 3E4*

*Tel: (403) 441-4623*

*Fax: (403) 441-4663*

Free, self-help resource library, including demo disks of computer fundraising programs.

Also provides educational material, free speakers, newsletter, audio visual materials, referrals, free boardroom for meetings. Focus is on fundraising, marketing, volunteer and organizational management, board development

## British Columbia

### *British Columbia Association of Fundraising Professionals*

*Suite 708, 1155 West Pender Street*

*Vancouver, British Columbia V6E 2P4*

*(604) 682-7447*

Membership group active in Vancouver and Victoria. Holds fundraising discussions.

### *Association of Vancouver Island Fundraisers (AVIFR)*

*PO Box 45004*

*Mayfair PO*

*Victoria, British Columbia V8Z 7G9*

## INFORMATION ON BUSINESSES

### *The Institute of Donations and Public Affairs Research*

*The Conference Board of Canada*

*255 Smyth Road*

*Ottawa, Ontario K1H 8M7*

*Tel: (613) 526-3280*

*Fax: (613) 526-4857*

*Suite 1100*

*1200 McGill College Avenue*

*Montreal, Quebec H3B 4G7*

*Tel: (514) 393-8251*

*Fax: 514 393-4078*

*Suite 1800*

*55 University Avenue*

*Toronto, Ontario M5J 2H7*

*Tel: (416) 360-2372*

*Fax: (416) 360-2905*

*3rd Floor*

*714 First Street SE*

*Calgary, Alberta T2G 2G8*

*Tel: (403) 233-0720*

*Fax: (403) 262-3436*

IDPAR is a nonprofit organization affiliated with the Conference Board of Canada. It provides objective information and analysis in the area of corporate giving. It is set up to serve corporate donors, not charities. However, it does have a variety of interesting publications for sale. I have quoted liberally from their work throughout.

IDPAR recommends that any group launching a corporate donations request send information about themselves to the nearest IDPAR office (not to all of them). While IDPAR cannot match nonprofit groups with donors, it wants to have background data handy in case the companies ask for verification.

### *The Council for Business and the Arts in Canada*

*PO Box 7*

*Suite 1507*

*401 Bay Street*

*Toronto, Ontario M5H 2Y4*

*Tel: (416) 869-3016*

*Fax: (416) 869-0435*

The CBAC is an organization of businesses whose purpose is to encourage corporate support for the arts through research, seminars, publications, counselling and information services. CBAC offers a long list of excellent publications. They do not give money, but can provide limited help to arts groups that need to connect with corporate supporters.

### *The Directory of Corporate Giving in Canada*

*Rainforest Publications Inc*

*Suite 404, 2010 Barclay Street*

*Vancouver, British Columbia V6G 1L5*

This two-volume set profiles the largest corporations in Canada. There is nothing else like it. Unfortunately, because of the rapidly changing nature of the corporate world, this directory is inevitably incomplete and often inaccurate despite the best efforts of the editors. Double-check names and addresses before using them. Extremely expensive.

### *Corporate Ethics Monitor*

*Ethicscan Canada*

*PO Box 54034*

*Toronto, Ontario M6A 3B7*

*Tel: (416) 783-6776*

Profiles of companies including their charitable giving. Newsletter published six times yearly. Subscription \$297.

### *Assessment Files*

*City Hall*

Lists all businesses and residences, with name and address of owner (where tax bill is sent). Organized street by street. Anyone can look at them free during working hours, on a walk-in basis. More accurate than the commercial directories, especially for small businesses.

***Canadian Key Business Directory***

*Dun and Bradstreet*

*365 Bloor Street East*

*Toronto, Ontario M4W 3L4*

*Tel: (416) 963-6500*

Data on corporations. Rapid corporate mergers and personnel changes mean you must do final double-check on names and addresses by phone.

***Canadian Business***

***Canadian Business 500***

*CB Media*

*2nd Floor, 70 The Esplanade*

*Toronto, Ontario M5E 1R2*

*Tel: (416) 364-4266*

Magazine about Canadian business, with annual listings of the biggest.

***Metro Toronto Ward Profiles***

*11th Floor, East Tower*

*Toronto City Hall*

*Toronto, Ontario M5H 2N1*

*Tel: (416) 392-8766*

Gives the ten largest employers in each ward, as well as statistics on employment and economy in the region. Current lists based on 1986 data. New listings were due out in 1992. Will also do custom computer listings of companies, for a fee. Many communities have similar services.

***Our Local Economy***

*4th Floor, 49 Wellington Street East*

*Toronto, Ontario M5E 1C9*

*Tel: (416) 361-0466*

***Social Investment Organization***

*Suite 443*

*366 Adelaide Street East*

*Toronto, Ontario M5A 3X9*

*Tel: (416) 360-6047*

For information on Ethical Investment Funds.

***Routing Services Ltd***

*Unit 137, 70 Silver Star Boulevard*

*Scarborough, Ontario M1V 2W4*

*Tel: (416) 293-6664*

For Toronto only, but similar directories exist in many other cities. Directories of industries and professionals organized geographically in 29 areas throughout greater Toronto. Complete with names, phone and fax numbers.



***Scott's Directories***

1450 Don Mills Road

Don Mills, Ontario M3B 2X7

(416) 442-2070

Directories of businesses. Volumes on the manufacturing sector for Ontario, Quebec, Western Canada and Atlantic Canada. The *Trade Directory* covers Metro Toronto only and includes a wider range of businesses, totaling 22,000 listings, organized (1) alphabetically, (2) by street, and (3) by type of product. Listings of the key executives, number of employees, etc.

***Canadian Sponsors' Marketing Sourcebook***

Roger James Easton Event Publishers

Suite 401, 525 Eleventh Avenue South West

Tel: (403) 237-8411

Calgary, Alberta T2R 0C9

Fax: (403) 234-9229

List of events for corporate sponsors. If you organize an annual cultural or sporting event, they will list it free.

***The Sponsorship Report***

Suite 504, 555 Richmond West

Toronto, Ontario M5V 3B1

Tel: (416) 360-3894

Newsletter documents who sponsors what in Canada. Directory of sponsorship consultants. Annual conference.

***Directory of Sponsorship Marketing***

IEG Sponsorship Report

International Events Group

Suite 303, 213 West Institute Place

Chicago, IL 60610-3175

Tel: (312) 944-1727

Directory of major events and who sponsors them. Newsletter. Annual conference. Excellent for research.

***Courses on starting a small business***

Larry Trunkey

Box 8667, Victoria, British Columbia V8W 3S2

Tel: (604) 384-4096

**INFORMATION ON DIRECT MAIL FUNDRAISING**

***The Canadian Direct Marketing Association***

Suite 607, 1 Concorde Gate,

Don Mills, Ontario M3C 3N6

Tel: (416) 391-2362

Over 700 members include business and government. Fundraisers and telemarketers have special groups. Chapters in Montreal, Calgary, Ottawa and Vancouver, and forming elsewhere. Various fees.

Useful information and books (some free) on direct marketing. Seminars and conventions across Canada. Awards for best mailings.

"Mail Preference Service" helps people get their names off mailing lists, and helps direct marketers avoid sending them mail.

Code of Ethics helps keep direct marketing honest. "Operation Integrity" is an intermediary in complaints about direct mail products or fundraising.

### ***Direct Mail Fundraising***

*Public Management Institute*

*358 Brannan Street*

*San Francisco, CA 94107*

*Tel: (415) 896-1900*

One of the finest tools. Full of helpful charts and sheets to check off each stage as you go. A bit American, but worth having. They also publish a variety of other books. Ask for their catalogue.

### ***Direct Marketing***

*Hoke Communications*

*224 Seventh Street*

*Garden City, NY 11530-5771*

*(516) 746-6700*

Covers fundraising and commercial direct marketing. Large-scale, very technical.

### ***Donors & Dollars***

*Epsilon Data Management*

*50 Cambridge Street*

*Burlington, MA 01803*

*Tel: (617) 273-0250*

A free 20-page booklet with very useful charts on the financial side of fundraising. Epsilon has a variety of publications.

### ***Everything You Need to Know to Get Started in Direct Mail Fundraising***

*Voluntary Action Program*

A mini-encyclopedia by Ken Wyman. Available in English or French. Free.

### ***Fundraising Letters***

*by Jerry Huntsinger*

*Emerson Publishers*

*PO Box 15274*

*Richmond, VA 23227*

*Tel: (804) 266-2499*

A substantial binder full of materials from one of the most experienced direct mail copywriters in the USA.

*Huntsinger Workshop on Fundraising Letters*

PO Box 15274

Richmond, VA 23227

Monthly news and evaluations of the latest in fundraising letters. \$135 US per year.

*response!*

*The Taft Group*

*US and Canada:*

835 Penobscot Building

Detroit, Michigan 48226

Free.

1-800-877-8238

*In Europe:*

GRIL

50 Milford Road

PO Box 498

Reading, Berkshire RG1 8QW

United Kingdom

Tel: 011-44-734-538247

Monthly newsletter devoted exclusively to direct mail and telephone fundraisers. Created by Mal Warwick, progressive direct mail expert and author of *Revolution in the Mailbox*. Canadian content from Contributing Editor Stephen Thomas.

The Taft Group, which is part of Gale Research, provides dozens of useful books. Ask for their free catalogue.

*Techniques for Success in Direct Mail Fundraising and Donor Base Development*

*The National Copy Clinic*

Box 127

West Newton, MA 02165

Newsletter from Con Squires, a specialist in writing great letters who has worked for several Canadian nonprofits.

**USEFUL INFORMATION FROM THE USA**

*Achieving Excellence in Fundraising*

*by Henry A Rosso and Associates*

*published by Jossey-Bass Inc*

*350 Sansome Street*

*San Francisco CA 94104*

A detailed guide written under the direction of one of America's most distinguished fundraising professionals. Winner of the 1992 NSFRE Research Prize.

***Advancing Philanthropy***

*Publications Department*

*National Society of Fundraising Executives (NSFRE)*

*Suite 700, 1101 King Street*

*Alexandria, VA 22314-2967*

Official journal of the NSFRE. Information, issues and answers on philanthropic development.

Included with NSFRE membership. Non-members: \$50/year.

***The Art of Fundraising***

*by Irving R Warner*

*Harper, 1975*

Out of print, worth finding a copy in a library. Classic advice.

***Born to Raise***

*by Jerold Panas*

*Precept Press,*

*160 East Illinois Street*

*Chicago, IL 60611*

*Tel: (312) 467-0424*

***Council on Foundations***

*Suite 300, 1828 L Street NW*

*Washington, DC*

*USA 20036*

*Tel: (202) 466-6512*

Newsletter Subscription: \$59 per year for 21 issues, 4-6 pages each. Magazine

Subscription: \$29.50 for 6 issues of about 70 pages.

***Corporate Philanthropy Report***

*Craig Smith*

*Suite D, 2727 Fairview Avenue East*

*Seattle, WA 98102*

*Tel: (206) 329-0422*

*Fax: (206) 325-1382*

Newsletter published 10 times per year. \$165 per year for non-profits. Perspectives of what corporate sector gives, how and why.

***Foundation Centre***

*79 Fifth Avenue*

*New York, NY 10003-3076*

*Tel: (212) 620-4230*

*Fax: (212) 807-3677*

Publishes a wide variety of books on foundations and related fundraising. Guides to foundations for 30 different fields. Free catalogue.

***Fundraising Institute Monthly Portfolio***

The Taft Group

835 Penobscot Building

Detroit, Michigan 48226

1-800-877-8238 (US & Canada)

Only 8 to 12 pages a month, but contains succinct how-to directions. Worthwhile.

Usually includes special direct mail tips in the FRI Letter Clinic. They also publish many handy manuals. Ask for the catalogue.

Free.

***Fundraising Management Magazine***

*Hoke Communications*

224 Seventh Street

Garden City, NY 11530-5771

(516) 746-6700

The 'industry' magazine. How-to articles, news, fascinating ads, conference

announcements. Mostly for larger US groups, but helps any serious fundraiser.

***Give to Live***

*by Douglas M Lawson, PhD*

*ALTI Publishing, 1991.*

Suite 520, 4180 La Jolla Village Drive

Tel: (619) 452-7703

La Jolla, CA 92037

Fax: (619) 452-6841

***Grassroots Fundraising Journal***

517 Union Avenue

Knoxville, TN 37902

Tel: (615) 637-6624

Quarterly. Recognizes that small organizations are different. Solid articles introduce techniques worth knowing.

***Indiana University***

*Centre on Philanthropy*

*Marketing and Communications*

Suite 301, 550 West North Street,

Indianapolis, IN 46202-3162

Variety of publications. Write to be added to mailing list.

***Independent Sector***

1828 L Street NW

Washington, DC

USA 20036

Tel: (202) 223-8100

Fax: (202) 223-0609

A nonprofit coalition of over 800 corporate, foundation and volunteer members created as an information exchange and spokesgroup. Publishes a variety of books, pamphlets.

Membership dues based on size of organization [.25% of salaries paid], but no cost to be added to mailing list for publications, catalogues and updates.

***The National Fundraiser***

Barnes Associates

603 Douglas Boulevard

Roseville, CA 95678-3244

1-800-231-4157

Monthly newsletter of "working tools" with how-to tips. Satisfaction guaranteed or money back.

***The Nonprofit Times***

190 Tamarack Circle

Skillman, NJ 08558

Tel: (609) 921-1251

Useful tips and general background information in a tabloid newspaper. Trade news, trends, and salary surveys.

***Organizing Special Events and Conferences***

by Darcy Devney

Pineapple Press, 1989

PO Drawer 16008

Sarasota, FL 34239

Tel: (819) 952-1085

ISBN 0-910923-63-9

A practical guide for busy people.

***Planned Giving for the One-Person Development Office***

Deferred Giving Services

614 West South Hale Street

Wheaton, IL 60187

An extremely useful tool by David Schmeling, CFRE. Information on marketing plans, recruiting key board members, preparing a budget, integrating and marketing planned giving, sample forms and letters.

***Please Give Generously: A Guide to Fundraising***

by Anthony Swainson

David & Charles, 1987

ISBN 0-7153-8929-7

***Practical Publicity: How to Boost Any Cause***

by David Tedone

Harvard Common Press, 1983

535 Albany Street

Boston, MA 02118

Tel: (617) 423-5803

ISBN 0-916782-35-2

***Reid Report***

Russ Reid Company  
2 North Lake Avenue  
Pasadena CA 91101

(818) 449-6100

Useful newsletter from consulting firm.

***Take the Fear Out of Asking For Major Gifts***

by James A Donovan  
Donovan Management, Inc, 1993  
4744 Hall Road  
Orlando, FL 32817  
ISBN 0-9639875-1-8

1-800-247-3023

A guide for professional staff and trustees of non-profit organizations with step-by-step instructions, self-study exercises, checklists, charts and graphs. Quantity discounts available.

*The following publications are available through Canadian publishers. They were, however, written and published in the US and reflect the American environment. The last three books listed are thorough, pragmatic, useful, upbeat texts.*

***What Volunteers Should Know for Successful Fundraising***

by Maurice Gurin  
McGraw-Hill Ryerson, 1981.  
300 Water Street  
Whitby, Ontario L1N 9B6  
ISBN 0-8128-2739-2

Tel: (905) 428-2222  
or (905) 430-5000

***Jossey Bass Publishers***

Maxwell Macmillan Canada  
Suite 200, 1200 Eglinton Avenue East  
Don Mills, Ontario M3C 3N1

Tel: (416) 449-6030  
Free: 1-800-449-0068  
1-800-465-2288

A large catalogue of resource material, generally more academic and suitable for larger groups. Ask to be added to the mailing list.

***Managing the Nonprofit Organization***

by Peter F Drucker  
Harper-Collins, 1990.  
1995 Markham Road  
Scarborough, Ontario M1B 5M8  
ISBN 0-06-016507-3

Tel: (416) 321-2241

*Successful Fundraising: a Complete Handbook for Volunteers and Professionals*

by Joan Flanagan

Fitzhenry & Whiteside

91 Granton Drive

Toronto, Ontario L4B 2N5

ISBN 0-8092-4090-4

Tel: (416) 764-0030

*The Successful Volunteer Organization*

by Joan Flanagan

Fitzhenry & Whiteside

ISBN 0-8092-5837-4

*The Grassroots Fundraising Book*

by Joan Flanagan

Fitzhenry & Whiteside

ISBN 0-8092-5746-7



# About the Contributors

*Ken Wyman* is Director of Ken Wyman and Associates Inc, a consulting firm which helps nonprofit groups across Canada and around the world to find the funding, volunteers and public profile that they need to grow. He was National Coordinator of Fundraising and Publicity for OXFAM-Canada for five years, and also worked as a street worker in a community youth clinic and a journalist. Ken is the primary author and editor of this manual, and has written five other books:

- *Face to Face: How to Get BIGGER Donations from Very Generous People*
- *The Guide to Special Events Fundraising*
- *Everything You Need to Know to Get Started in Direct Mail Fundraising*  
The Voluntary Action Program of the Department of Canadian Heritage can provide the above 3 books free of charge, in French as well as English.
- *Planning Successful Fundraising Programs*  
(available for purchase from its publisher, The Canadian Centre for Philanthropy, Suite 200, 1329 Bay Street, Toronto Ontario M5R 2C4)
- *The Brown Bag Papers*  
(a 200-page compendium of ideas and tips for nonprofits, sold through the Grassroots Network at Suite 200, 64B Shuter Street, Toronto, Ontario M5B 1B1)

*Tom F Balke*, who contributed to the section on service clubs, is a member of the Rotary Club. He works for Inter-Varsity Christian Fellowship in Halifax, Nova Scotia, and previously worked for Operation Eyesight Universal in Toronto.

The *Institute of Donations and Public Affairs Research (IDPAR)* gathers exhausting amounts of information on corporate giving. I have quoted from their materials throughout, without always slowing the reader down with a footnote or credit. Thanks to them for helping move fundraising --- and fund giving --- from an art to a science.

*Lyn McDonell* provided material for the section on volunteers, as well as other input throughout. Lyn is Executive Director of the Ontario Division of the Canadian Diabetes Association. She studied the development of voluntary organizations to earn her M.A. in Sociology from the University of New Brunswick. She has served with the Arthritis Society, Ken Wyman and Associates Inc, the Canadian Save the Children Fund and Canadian Crossroads International. She is the author of *Building an Effective Volunteer Organization*, published by the Volunteer Centre of Winnipeg.

*John O'Leary* is President of Frontier College, which provides literacy training. John is a teacher by profession, and involved as a volunteer with the Daily Bread Food Bank and the Cabbagetown Arts Centre, which helps underprivileged inner city youth. His seminar on "Rich People" has been adapted for the chapter on major individual donors.

*Julie White* is Executive Director at the Trillium Foundation of Ontario. Before that she was Manager of Public Affairs at Levi Strauss & Co (Canada) Inc. She received her MBA on policy and planning from York University, and serves on their advisory committee. Julie is founder and first board president of the Canadian Women's Foundation and on the board of the Scott's Hospitality Foundation. She has also served on the board of the Policy Research Centre on Children, Families and Youth, New Experience for Refugee Women and Skyworks, a nonprofit feminist filmmaking company. Her thoughts form the nucleus of the section on corporate donations.

*Julie Shakespeare* compiled and wrote much of the anecdotal material on in-kind donations through research and her own fifteen years' experience in event management. Before joining KW&A as Administrative Assistant and Client Liaison, Julie worked in the nonprofit sector with Junior Achievement of Metro Toronto, Diabetes Canada and the Canadian Diabetes Association. Julie is an active member of Meeting Planners International and does considerable volunteer work as a fundraiser and event organizer for such diverse organizations as the Mariposa Folk Foundation, the Canadian Vintage Motorcycle Group, the National Hockey League and the Genesis Research Foundation.

*Karen Anderson*, part of the KW&A team, proofed and helped edit this book. Karen has worked in the offices of the Victoria (British Columbia) Volunteer Bureau, at two Toronto community centres and with a national advertising placement agency for university newspapers.